TELEMATIC INTERACTIVE BULGARIA AD

Separate financial statements as at 31 December 2025

TELEMATIC

I N T E R A C T I V E

CONTENTS

Separate statement of financial position

	Note	31.12.2025 BGN'000	31.12.2024 BGN'000
Intangible assets	5	546	731
Property, plant and equipment	6	846	1 011
Investments in subsidiaries	7.1	27,317	15,721
Investments in joint ventures	7.2	2,327	3,473
Financial assets at fair value	10	300	300
Receivables from related parties	25	1,502	951
Deferred tax assets	8	219	93
Non-current assets		**33,057**	**22,280**
Financial assets at fair value	10	5,017	8,777
Advances granted and other receivables	9	6 012	6,153
Current receivables from related parties	25	2,497	949
Cash and cash equivalents	11	20,321	27,990
Current assets		**33,847**	**43,869**
Total assets		**66,904**	**66,149**
Equity and liabilities			
Share capital	12.1	12,799	12,926
Reserves	12.3	15,134	16,416
Retained earnings		4,578	95
Current financial result		14,991	20,265
Equity		**47,502**	**49,702**
Lease liabilities	17	226	492
Non-current liabilities		**226**	**492**
Trade and other payables	14	3,715	3,219
Other taxes and fees	15	2,895	2,972
Client deposits	16	3,590	3,604
Payables to employees	13.2	1,652	1,546
Dividend payables	23,25	3,200	3,620
Payables relating to investments	7	2,934	-
Payables to related parties	25	846	176
Lease liabilities	17	241	230
Income tax payable		103	588
Current liabilities		**19,176**	**15,955**
Total liabilities		**19,402**	**16,447**
Total equity and liabilities		**66,904**	**66,149**

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/ Angel Iribozov /

The separate financial statements have been approved for issue by the Board of Directors on 25 March 2026 and signed on 31.03.2026.

With auditor's report:

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Mariy Apostolov, General Manager and Registered Auditor in charge of the engagement

Separate statement of profit and loss and other comprehensive income

	Note	2025 BGN'000	2024 BGN'000
Revenue from bets	18	131,170	128,221
Other operating income		101	82
Cost of materials		(500)	(346)
Cost of hired services	19	(68,674)	(65,497)
Depreciation of non-financial assets		(516)	(495)
Employee benefits	13.1	(13,981)	(10,598)
Other expenses	20	(29,683)	(29,221)
Operating profit		**17,917**	**22,146**
Impairment of non-financial assets/ investments	7	(1,267)	(346)
Finance income	21	371	956
Finance costs	21	(254)	(194)
Profit before tax		**16,767**	**22,562**
Income tax expense	22	(1,776)	(2,297)
Profit for the year		**14,991**	**20,265**
Total comprehensive income for the year		**14,991**	**20,265**
Earnings per share	12.2	**1.17 BGN**	**1.57 BGN**

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The notes to the separate financial statements on pages 5 to 37 form an integral part thereof.

Separate statement of changes in equity

	Share capital	Issue premium reserve	Statutory reserves	Reserves from share-based transactions	Retained earnings	Equity
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance as at 1 January 2024	**12,960**	**15,680**	**1,300**	**-**	**26,251**	**56,191**
Dividends	-	-	-	-	(26,156)	(26,156)
Treasury shares	(34)	(564)	-	-	-	(598)
Transactions with owners	**(34)**	**(564)**	**-**	**-**	**(26,156)**	**(26,754)**
Profit for the period	-	-	-	-	20,265	20,265
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**20,265**	**20,265**
Balance as at 31 December 2024	**12,926**	**15,116**	**1,300**	**-**	**20,360**	**49,702**
Dividends	-	-	-	-	(15,782)	(15,782)
Treasury shares	(135)	(2,803)	-	-	-	(2,938)
Share-based payment	8	152	-	**(160)**	-	-
Allocation of reserves for share-based payment transactions	-	-	-	1,529	-	1,529
Transactions with owners	**(127)**	**(2,651)**	**-**	**1,369**	**(15,782)**	**(17,191)**
Profit for the period	-	-	-	-	14,991	**14,991**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**14,991**	**14,991**
Balance as at 31 December 2025	**12,799**	**12,465**	**1,300**	**1,369**	**19,569**	**47,502**

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The separate financial statements have been approved for issue by the Board of Directors on 25 March 2026 and signed on 31.03.2026.

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Separate statement of cash flows

	Note	2025 BGN'000	2024 BGN'000
Operating activities			
Bets placed by customers		573,742	596,778
Winnings paid out and deposits refunded		(442,912)	(468,200)
Payments to suppliers		(69,104)	(68,951)
Payments to staff and social security institutions		(13,300)	(9,524)
Corporate tax payments		(2,388)	(1,688)
Gambling licence fee payments		(26,247)	(25,517)
Other cash flows, net		(2,640)	(1,776)
Net cash flow from operating activities		**17,151**	**21,122**
Investing activities			
Acquisition and increase of the capital of subsidiaries		(7,317)	(4,827)
Proceeds from matured issues and investments sold		3,916	33,595
Acquisition and increase of the capital of joint ventures	7.2	-	(1,238)
Purchase of financial assets and investments			
Advances granted for investments	9	-	[illegible]
Proceeds from loans		16	-
Interest received		10	3
Net cash flows from investing activities		**(5,322)**	**9,711**
Financing activities			
Dividend payments	23	(16,202)	(27,711)
Treasury shares bought	12.1	(2,938)	(598)
Lease payments		(292)	(279)
Net cash flows from financing activities		**(19,432)**	**(28,588)**
Foreign exchange restatement		(66)	(77)
Net change in cash and cash equivalents		**(7,669)**	**2,168**
Cash and cash equivalents at the beginning of the year		**27,990**	**25,822**
Cash and cash equivalents at the end of the year	11	**20,321**	**27,990**

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Notes to the separate financial statements

1. Principal activities

Telematic Interactive Bulgaria AD (the Company) is a company registered on 30 June 2021 under Article 234 of the Commercial Act, with EIK 206568976, following the conversion of Telematic Interactive Bulgaria EOOD. The Company's registered office and place of business is in the Republic of Bulgaria, Sofia, postcode 1345, Zaharna Fabrika, 7 Kukush Street. The company has EIK 203127300 and is registered in Sofia, entered in the Commercial Register on 2 July 2014 in accordance with the Commercial Act of the Republic of Bulgaria.

The Company's business activity consists of organising and conducting online betting in accordance with licences issued by the relevant competent authority, the State Gambling Commission (SGC), valid until 8 August 2020. Subsequently, its functions were taken over by the National Revenue Agency (NRA), whilst all licences issued by the SGC remained valid.

The company holds a licence to organise online casino games, issued on 19 July 2019, which was extended by a decision of the NRA dated 22 April 2024 for a further five years, expiring on 17 July 2029. The company also holds a licence for online betting on the results of sporting events and horse and greyhound races, issued on 6 April 2023 and valid until 6 April 2028.

The Company's shares have been traded on the Bulgarian Stock Exchange since 22 March 2022 under the ticker symbol TIB and the ISIN code BG1100014213. The majority shareholder and ultimate controlling entity is Eldorado Corporation AD, whose shares are not traded on a stock exchange.

Following a resolution of the General Meeting, a change in the composition of the Board of Directors was entered in the Commercial Register on 19 June 2025. Lachezar Petrov was removed and Angel Iribozov was elected. As at 31 December 2025,

The Company is managed by a Board of Directors comprising Angel Andonov Iribozov – Executive Director, Desislava Peeva Panova – Chair of the Board, and Emil Alexandrov Georgiev – member. The Company is represented by Angel Andonov Iribozov and Desislava Peeva Panova jointly and severally. As at 31 December 2025, the Company employed 185 people under employment contracts and three under management and supervision contracts (2024: 175 people under employment contracts and three under management and supervision contracts).

2. 2. Statement on compliance with IFRS and the application of the going concern principle

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS as adopted by the EU). For the purposes of paragraph 1, point 8 of the Supplementary Provisions of the Accounting Act applicable in Bulgaria, the term 'IFRSs adopted by the EU' refers to the International Accounting Standards (IASs) adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The financial statements are presented in Bulgarian leva, which is the Company's functional currency. All amounts are presented in thousands of leva (thousand BGN) (including comparative information for 2024), unless otherwise stated.

These financial statements are stand-alone. The Company also prepares consolidated financial statements in accordance with IFRS as adopted by the EU, in which investments in subsidiaries are accounted for and disclosed in accordance with IFRS 10 'Consolidated Financial Statements'.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

The financial statements have been prepared in accordance with the going concern principle. As at the date of preparation of these separate financial statements, management has assessed the Company's ability to continue as a going concern based on the information available for the foreseeable future.

3. Changes in accounting policies

3.1. New standards effective as from 1 January 2025

The Company has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board and endorsed by the EU, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2025:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of convertibility, effective from 1 January 2025, adopted by the EU

The amendments to IAS 21 include:

- clarification of when one currency can be exchanged for another and when it cannot – a currency can be exchanged when the entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specific purpose; a currency cannot be exchanged for another currency if the entity can obtain only an insignificant amount of the other currency;
- a requirement specifying how the entity shall determine the exchange rate to be applied when a currency cannot be exchanged – where a currency cannot be exchanged at the measurement date, the entity shall measure the spot exchange rate as the rate that would be applied in a routine transaction between market participants at the measurement date and which would faithfully reflect prevailing economic conditions.
- a requirement to disclose additional information where a currency is not convertible – where a currency is not convertible, the entity shall disclose information that would enable users of its financial statements to assess how the non-convertibility of the currency affects, or is expected to affect, its financial performance, financial position and cash flows.

3.2 Standards, amendments and interpretations which have not yet come into force and are not applied by the Company from an earlier date

As at the date of approval of these financial statements, new standards, amendments and interpretations to existing standards had been published but had not yet come into force or been adopted by the EU for the financial year beginning 1 January 2025, and had not been applied by the Company at an earlier date. Management expects all standards and amendments to be adopted in the Company's accounting policy in the first period commencing after their effective date. Information on these standards and amendments is set out below.

Annual improvements, effective from 1 January 2026, adopted by the EU

The annual improvements cover a wide range of topics in the following standards:

- ***IFRS 1 First-time Adoption of International Financial Reporting Standards***

Hedge accounting by an entity applying IFRS for the first time. The amendment addresses potential confusion arising from an inconsistency between the wording of paragraph B6 of IFRS 1 and the hedge accounting requirements in IFRS 9 Financial Instruments.

- ***IFRS 7 Financial Instruments: Disclosures***

- *Gain or loss on derecognition. The amendment addresses potential confusion in paragraph B38 of IFRS 7 arising from an outdated reference to a paragraph that was deleted from the standard upon the issue of IFRS 13 Fair Value Measurement.*
- *Disclosure of the deferred difference between fair value and transaction cost. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and the accompanying Implementation Guidance, which arises when a subsequent amendment, resulting from the issue of IFRS 13, is made to paragraph 28 but not to the corresponding paragraph in the Implementation Guidance. Introduction and disclosure of credit risk. The amendment addresses potential confusion*

by clarifying in paragraph AG1 that the guidance does not necessarily illustrate all the requirements in the specified paragraphs of IFRS 7. Some disclosures have been simplified.

- ***IFRS 9 Financial Instruments***

- *Removal of the requirement for the lessee to recognise lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements of IFRS 9 for accounting for the settlement of the lessee's lease liabilities, which arises because paragraph 2. 1(b)(ii) of IFRS 9 includes a reference to paragraph 3.3.1 but not to paragraph 3.3.3 of IFRS 9.*

- *Transaction price. The amendment addresses potential confusion arising from the reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers, whilst the term 'transaction price' is used in certain paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.*

- ***IFRS 10 Consolidated Financial Statements***

- *Determining a 'de facto agent'. The amendment addresses potential confusion arising from a discrepancy between paragraphs B73 and B74 of IFRS 10, relating to the investor's determination of whether another party is acting on its behalf, by aligning the wording in the two paragraphs*.

- ***IAS 7 Cash Flow Statement***

- *Cost method. The amendment addresses potential confusion in the application of paragraph 37 of IAS 7, arising from the use of the term 'cost method', which is no longer defined in the IFRS accounting standards*.

Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, adopted by the EU

The amendments are as follows:

- ***Derecognition of a financial liability settled by electronic transfer.*** The amendments to the IFRS 9 Implementation Guidance allow an entity to treat a financial liability (or part thereof) that is to be settled in cash via an electronic payment system as having been extinguished before the settlement date, provided that certain criteria are met. An entity that chooses to apply the derecognition option must apply it to all payments made through the same electronic payment system.

- ***Classification of financial assets***

- *Contractual terms that are consistent with a master lending agreement. The amendments to the IFRS 9 Implementation Guidance provide guidance on how an entity may assess whether the contractual cash flows of a financial asset are consistent with a master lending agreement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that do or do not have contractual cash flows consisting solely of principal and interest payments on the outstanding principal.*

- *Assets with non-recourse characteristics. The amendments improve the description of the term 'non-recourse'. Under the amendments, a financial asset has the characteristics of a non-recourse asset if the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.*

- *Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions involving multiple debt instruments meet the criteria for transactions involving multiple contractually linked instruments and provide an example. In addition, the amendments clarify that a reference to instruments in the host group may include financial instruments that do not fall within the scope of the classification requirements*

- ***Disclosures***

- *Investments in equity instruments designated at fair value through other comprehensive income. The requirements of IFRS 7 are amended with regard to the disclosures an entity is required to* *provide in respect of these investments. In particular, an entity will be required to disclose the fair value gain or loss recognised in other comprehensive income during the period, showing separately the fair value gain or loss relating to investments written off during the period, and the fair value gain or loss relating to investments held at the end of the period.*

- *Contractual terms that could alter the timing or amount of contractual cash flows. The amendments require disclosure of contractual terms that could alter the timing or amount of contractual cash flows upon the occurrence (or non-occurrence) of a contingent event that is not directly related to changes in underlying credit risks and costs. The requirements apply to each class of financial asset measured at amortised cost or at fair value through other comprehensive income, as well as to each class of financial liability measured at amortised cost.*

IFRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027, adopted by the EU

IFRS 18 aims to improve the way in which entities present their financial statements, with a focus on the information regarding financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements of IAS 7 Statement of Cash Flows. IFRS 18 comes into force on 1 January 2027. Entities are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. The requirements in IAS 1 that have not been amended have been transferred to IFRS 18 and other standards. IFRS 18 will affect all entities across all sectors. Although IFRS 18 will not affect the way in which companies measure their financial results, it will affect the way in which companies present and disclose their financial results. IFRS 18 aims to improve financial reporting by:

- a requirement for additional defined interim totals in the profit and loss account. The inclusion of defined interim totals in the profit and loss account facilitates the comparison of companies' financial results and provides a consistent basis for analysis by investors.
- a requirement to disclose management-defined performance indicators. The requirement for companies to disclose information on management-defined performance indicators enhances discipline in their use and transparency in their calculation.
- the addition of new principles for the grouping (aggregation and disaggregation) of information. Setting out requirements as to whether information should be included in the main financial statements or in the notes, and providing principles on the necessary level of detail, improves the effective communication of information.

IFRS 19: Subsidiaries that are not publicly reported: Disclosures, effective from 1 January 2027, not yet adopted by the EU

The objective of IFRS 19 is to set out the disclosure requirements that an entity is permitted to apply in place of the disclosure requirements in other IFRSs. An entity may choose to apply this Standard in its consolidated, separate or individual financial statements only if, at the end of the reporting period, it is a subsidiary that is not a public-sector entity and has a ultimate or intermediate parent that prepares consolidated financial statements available for public use that comply with IFRS. IFRS 19 sets out the detailed disclosures that an entity applying IFRS 19 is required to make. These disclosure requirements are a condensed version of the requirements set out in other IFRS accounting standards. Of the total of 34 IFRS accounting standards that include disclosure requirements, IFRS 19 provides for reduced disclosure requirements for 30 of them. The disclosure requirements for three standards must be applied in full (IFRS 8, IFRS 17 and IAS 33). Entities applying IAS 26 Accounting and Reporting by Retirement Benefit Plans do not meet the 'non-publicly accountable' criterion and therefore cannot apply IFRS 19.

Amendments to IFRS 19 'Unlisted Subsidiaries: Disclosure', effective from 1 January 2027, not yet adopted by the EU

The amendments include reduced disclosure requirements, the removal of objectives and guidelines in areas such as supplier financing agreements, Pillar 2 rules and financial instruments, and the replacement of management-defined performance indicators with a reference to IFRS 18.

Amendments to IAS 21 Restatement in a Hyperinflationary Currency, effective from 1 January 2027, not yet adopted by the EU

The amendments relate to a specific situation in which a parent entity (whose presentation currency is hyperinflationary) consolidates a foreign entity (whose functional currency is not hyperinflationary). Comparative figures for foreign entities with non-hyperinflationary functional currencies must be restated using the general price index (in accordance with IAS 29) when presented in the hyperinflationary presentation currency.

4. 4. Significant accounting policies

4.1. General information

The most significant accounting policies applied in the preparation of these separate financial statements are set out below.

The financial statements have been prepared in accordance with the principles for the measurement of all types of assets, liabilities, income and expenses as set out in IFRS. The measurement bases are disclosed in detail below in the accounting policies to the financial statements.

It should be noted that accounting estimates and assumptions have been used in the preparation of these financial statements. Although these are based on information available to management at the date of preparation of the financial statements, actual results may differ from the estimates and assumptions made.

4.2. Presentation of the financial statements

The consolidated financial statements have been prepared in accordance with IAS 1 ‘Presentation of Financial Statements’.

The Company has elected to present the consolidated statement of profit or loss and other comprehensive income in a single statement. The statement of financial position presents two comparative periods where the Company applies an accounting policy retrospectively, restates items in the financial statements retrospectively or reclassifies items in the financial statements, and this has a material effect on the information in the statement of financial position at the beginning of the previous period.

4.3. Investments in subsidiaries and joint ventures

Subsidiaries are all entities that are under the control of the Company.

Control exists when the Company is exposed to, or has rights to, the variable returns from its interest in the investee, and has the ability to affect those returns through its powers over the investee. It is generally accepted that a subsidiary exists when the Company holds more than 50% of the shares in the entity. In the Company’s separate financial statements, investments in subsidiaries are carried at cost.

The Company recognises a dividend from a subsidiary in profit or loss in its separate financial statements when the right to receive the dividend is established.

A joint venture is a contractual arrangement in which the parties that exercise joint control over the entity have rights to the assets and obligations in respect of the liabilities of the entity.

The Company accounts for its interest in a joint venture at cost and, in respect thereof, recognises:

- its assets, including its share of all assets held jointly;
- its liabilities, including its share of all liabilities incurred jointly;
- its revenue from the sale of its share of the output produced by the jointly controlled operation; its share of the revenue from the sale of the jointly controlled operation’s output; its expenses, including its share of all jointly incurred expenses.

4.4 4.7. Foreign currency transactions

Transactions in foreign currency are recognised in the Company’s functional currency at the official exchange rate prevailing on the transaction date (the fixing rate published by the Bulgarian National Bank). Gains and losses arising from exchange rate differences on the settlement of these transactions and the revaluation of cash positions in foreign currency at the end of the reporting period are recognised in profit or loss.

Non-monetary items measured at historical cost in a foreign currency are reported at the exchange rate prevailing on the transaction date (they are not revalued). Non-cash positions measured at fair value in a foreign currency are recognised at the exchange rate prevailing on the date on which the fair value is determined.

The Bulgarian lev is pegged to the euro at a rate of 1 EUR = 1.95583 BGN.

4.5. Revenue from contracts with customers

The Company's main revenue streams relate to the organisation of online gambling via online casinos and sports betting.

To determine whether and how to recognise revenue, the Company follows these five steps:

1 Identification of the contract with the customer

2 Identifying performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when the performance obligations are satisfied

1 Identification of the contract with the customer

The Company organises its sales via an online platform, with the general terms and conditions for each game published and accessible to every customer on the website. By creating a profile/account on the website's gaming platform, the player in question agrees to these terms.

In the case of sports betting, it is understood that a bet placed by the customer constitutes confirmation of a concluded contract.

2 Identification of performance obligations

Each customer of the Company provides a deposit amount with which they can place their bets. The customer's account is activated upon the transfer of the relevant sum of money to the Company or to payment operators authorised by it. This amount is defined as a deposit, which entitles the customer to place bets on the Company's gaming platform on games of chance in the online casino or on the results of sporting events.

The provision of the service for playing a particular game consists of three stages, which are defined as a gaming session: the acceptance of a bet, the execution of the game, and the settlement of the bet by determining the outcome of the game.

A gaming session in an online casino is, in most cases, brief and is defined by a single spin of the virtual reels in slot machine games, a spin of the roulette wheel, the cards dealt in table games, and other gaming conditions set out in the rules of the various games. In a land-based casino, customers typically undertake multiple gaming sessions within a short period of time. In sports betting, a gaming session may last several days until the specified sporting event has taken place, and sometimes – for example, in the case of bets on league standings in football championships – several months.

Typically, contracts with the Company's customers involve a single performance obligation. The Company's performance obligation relates to the payment of winnings to customers from the bets placed, once the winning outcome for a given game has been determined in accordance with its terms and conditions and algorithm.

3 Determining the transaction price

When determining the transaction price, the Company takes into account the terms of the relevant contract and its usual commercial practices. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (e.g. value added tax). The consideration promised in the contract with the customer may include fixed amounts, variable amounts or both.

The transaction price for services provided by the Company represents the difference between the stakes received from customers and the winnings paid out to them (consideration due to the customer).

During a gaming session, there are usually two possible outcomes.

a. The customer loses their stake. In this case, they forfeit the right to recover the portion of the cash deposit provided that is equal to the stake.

b. The customer wins their stake. In this case, the customer is entitled to receive the value of the winnings via payment from the Company.

In the event that the Company is unable to fulfil its obligation (for example, if a sporting event is postponed and no betting will take place on it), the amount of the customer's stake is subject to refund.

The nature of gambling is based on a principle in probability theory known as the law of large numbers, according to which, under certain general conditions, the combined effect of random factors leads to a result that is only slightly dependent on chance. Therefore, although the games have an entirely random outcome determined by a random number generator, and sports betting involves a random result, the algorithm used to calculate them ensures certain levels of winnings in relation to the stakes placed.

In addition to the cost of the game, some games include additional bonuses which the Company undertakes to provide to the relevant player, either in the form of an additional opportunity to play or as a cash prize or incentive. The majority of reward credits/bonuses are not considered to be a separate performance obligation, as they do not confer on customers a substantive right that they would not otherwise have. Consequently, the Company does not allocate the transaction price between bonuses/reward credits and the other performance obligations specified in the contract.

4 Allocating the transaction price to the performance obligations

The transaction price is allocated to a single performance obligation.

The Company recognises as revenue from contracts with customers the amount of stakes received, less the amount of winnings paid out, which is treated as amounts due to customers in accordance with the requirements of the Standard.

As a result of the wagers placed and winnings paid out, and as players participate in numerous gaming sessions, most players gradually forfeit their right to withdraw their deposits from the Company's bank accounts; consequently, the Company's obligation to repay them ceases and its financial asset increases.

5 Recognising revenue when the performance obligations are satisfied.

Revenue is recognised when the Company has transferred control of the goods/services supplied to the buyer. Control is deemed to have been transferred to the buyer when the customer has accepted the goods/services without objection.

The Company's revenue represents the difference between bets received, winnings paid out and other remuneration due to the customer. This difference constitutes net gaming revenue. Revenue from the sale of casino bets is recognised at the time of delivery, i.e. at the moment the bet is settled. Historically, this has been associated with land-based gambling and so-called 'live' casino gaming. In this context, the outcome of the game corresponds to the moment of transfer of control over the goods or services and is equivalent to the value of the lost gaming chips.

In online gambling, revenue is recognised by determining the net gaming revenue for a specific period (month). This is equal to settled bets minus winnings, including bonuses won. Net gaming revenue is equivalent to the value for which players have forfeited their right to a refund.

Revenue from sports betting is recognised over time during the period in which the benefits of the sporting event are realised.

4.5.1. Interest and dividend income

Interest income relates to loans granted. It is recognised on an ongoing basis using the effective interest method.

Dividend income is recognised when the right to receive payment arises.

4.6. Operating expenses

Operating expenses are recognised in profit or loss at the time the services are used or on the date they are incurred.

The Company recognises two types of expenses relating to the performance of contracts with customers for the supply of services/goods: expenses incurred in securing the contract and expenses incurred in fulfilling the contract. Where costs do not meet the criteria for deferral in accordance with the requirements of IFRS 15, they are recognised as current expenses at the time they are incurred; for example, where they are not expected to be recovered or where the deferral period is up to one year.

The following operating costs are always recognised as current expenses at the time they are incurred:

– General and administrative expenses (unless they are charged to the customer);

– Costs associated with the fulfilment of a performance obligation; – Costs for which the entity cannot determine whether they relate to a satisfied or unsatisfied performance obligation.

4.7. Intangible assets

Intangible assets include online betting platform software, purchased games and rights to use games, as well as licences acquired for the conduct of the business. They are recognised at cost, including all duties paid, non-refundable taxes and direct costs incurred in preparing the asset for use, with capitalised costs being amortised on a straight-line basis over the estimated useful life of the assets, as this is considered to be limited. Licences are amortised over the period for which they are issued.

Subsequent measurement is carried out at cost less accumulated amortisation and impairment losses. Impairment losses are recognised as an expense and are recognised in the profit or loss statement and other comprehensive income for the relevant period.

Subsequent expenditure incurred in relation to intangible assets after their initial recognition is recognised in the profit or loss statement and other comprehensive income for the period in which it is incurred, unless such expenditure enables the asset to generate more future economic benefits than originally anticipated, and where such expenditure can be reliably measured and attributed to the asset. If these conditions are met, the expenditure is added to the cost of the asset.

The residual value and useful life of intangible assets are assessed by management at each reporting date.

Amortisation is calculated using the straight-line method over the estimated useful life of the individual assets, as follows:

- Software – online casino games – 6.7 years or over the period or use upon temporary transfer or rights over software up to 10 years
- Intellectual property rights, licenses – 5 years

Amortisation expenses are included in the consolidated statement of profit or loss and other comprehensive income under the heading ‘Amortisation expenses on non-financial assets’.

Costs that can be directly attributed to the development phase of an intangible asset are capitalised if they meet the following criteria:

- Completion of the intangible asset is technically feasible, so that it will be available for use or sale;
- The Company intends to complete the intangible asset and to use or sell it;
- The Company is able to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Furthermore, there is a market for the output of the intangible asset or for the intangible asset itself, or, if it is used in the Company ’s operations, it will generate economic benefits;
- Adequate technical, financial and other resources are available to complete the development and to utilise or sell the intangible asset;
- The costs relating to the intangible asset during its development can be reliably measured.

Development costs for intangible assets that do not meet these capitalisation criteria are recognised as they are incurred.

The gain or loss on the disposal of intangible assets is determined as the difference between the proceeds from the disposal and the carrying amount of the assets and is recognised in the statement of profit or loss and other comprehensive income under the heading ‘Gain/(Loss) on disposal of non-current assets’.

The materiality threshold selected for the Company’s intangible assets is BGN 700.

4.8. Property, plant and equipment and right-of-use assets

Property, plant and equipment are initially measured at cost, comprising the purchase price and all direct costs incurred in bringing the asset to working condition.

Subsequent measurement of property, plant and equipment is carried out at cost less accumulated depreciation and impairment losses. Impairment losses are recognised as an expense and are recognised in the profit or loss statement and other comprehensive income for the relevant period.

Subsequent expenditure relating to a specific item of property, plant and equipment is added to the carrying amount of the asset when it is probable that the Company will derive economic benefits exceeding the initially estimated performance of the existing asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The residual value and useful life of property, plant and equipment are assessed by management at each reporting date.

Property, plant and equipment acquired under lease agreements are depreciated on the basis of their expected useful life, determined by comparison with similar assets owned by the Company, or on the basis of the lease agreement if its term is shorter.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful life of the individual groups of assets, as follows:

- buildings 25 years
- machinery 5 years
- vehicles 5 years
- furniture and fixtures 7 years
- computers 2-5 years
- other 7 years

Depreciation charges are included in the separate statement of profit or loss and other comprehensive income under the heading ‘Depreciation and impairment of non-financial assets’.

The gain or loss on the disposal of property, plant and equipment is determined as the difference between the proceeds from the disposal and the carrying amount of the asset, and is recognised in the statement of profit or loss and other comprehensive income under the heading ‘Gain/(Loss) on disposal of non-current assets’. The materiality threshold selected for the Company’s property, plant and equipment is BGN 700.

4.9. Leases

4.9.1. The Company as lessee

The Company has long-term leases for premises, under which they recognise right-of-use assets as at 31 December 2025.

For each contract entered into, the Company assesses whether it is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that grants the right to use an asset (the underlying asset) for a specified period of time in exchange for consideration.’ To apply this definition, the Company makes three key judgements:

Whether the contract contains an identifiable asset that is either explicitly specified in the contract or implied at the time the asset is made available for use

- The Company has the right to receive substantially all the economic benefits from the use of the asset throughout the term of use, within the defined scope of its right to use the asset under the contract
- The Company has the right to direct the use of the identified asset throughout the term of use.
- The Company assesses whether it has the right to direct ‘how and for what purpose’ the asset will be used throughout the term of use.

The Company has elected to account for short-term leases and leases of low-value assets by utilising the practical expedients provided for in the standard. Instead of recognising right-of-use assets and lease liabilities, the related payments are recognised as an expense in profit or loss on a straight-line basis over the term of the lease. The use of an asset under a variable-rent lease is recognised as a current expense. Typically, the right to use such a tangible or intangible asset is linked to financial performance and results achieved, but it is not possible to determine the liability with any degree of accuracy over the long term.

4.10. Impairment tests for non-financial assets

When calculating the amount of the impairment loss, the Company identifies the smallest distinguishable group of assets for which separate cash flows can be determined (a cash-generating unit). As a result, some assets are tested for impairment on an individual basis, whilst others are tested on a cash-generating unit basis.

All assets and cash-generating units are tested for impairment at least once a year. All other individual assets or cash-generating units are tested for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised as the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. To determine value in use, the Company's management calculates the expected future cash flows for each cash-generating unit and determines an appropriate discount rate to calculate the present value of those cash flows. The data used in the impairment test are based on the Company's latest approved budget, adjusted where necessary to eliminate the effect of future reorganisations and significant improvements to assets. Discount rates are determined for each individual and reflect their respective risk profiles, as assessed by the Company's management.

Impairment losses on a cash-generating unit are recognised as a reduction in the carrying amount of the assets within that unit. For all of the Company's assets, management assesses on an ongoing basis whether there are any indications that an impairment loss recognised in previous years may no longer exist or may have decreased. An impairment loss recognised in a previous period is reversed if the recoverable amount of the cash-generating unit exceeds its carrying amount.

4.11. Financial instruments

4.11.1. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset, and substantially all the risks and rewards, are transferred.

Financial liabilities are derecognised when the obligation specified in the contract has been settled, cancelled or has expired.

4.11.2. Classification and initial measurement of financial assets

Financial assets are initially recognised at fair value, adjusted for transaction costs, with the exception of financial assets at fair value through profit or loss and trade receivables that do not contain a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are recognised as current expenses. The initial measurement of trade receivables that do not contain a significant financial component is the transaction price in accordance with IFRS 15.

Depending on the method of subsequent accounting, financial assets are classified into one of the following categories:

- debt instruments at amortised cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income, with or without reclassification to profit or loss, depending on whether they are debt or equity instruments.

The classification of financial assets is determined on the basis of the following two criteria:

- the Company's business model for managing financial assets;
- the characteristics of the contractual cash flows of the financial asset. All income and expenses relating to financial assets that are recognised in profit or loss are included in finance costs and finance income, with the exception of impairment of trade receivables, which is presented under 'other expenses' in the statement of profit or loss and other comprehensive income.

4.11.3. Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following criteria and are not designated for measurement at fair value through profit or loss:

- the Company manages the assets as part of a business model whose objective is to hold the financial assets and collect their contractual cash flows;
- under the contractual terms of the financial asset, cash flows arise on specific dates that consist solely of payments of principal and interest on the outstanding principal amount.

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. Following initial recognition, they are measured at amortised cost using the effective interest method. Discounting is not applied when the effect of such discounting is immaterial. The Company classifies cash and cash equivalents, loans granted, trade and other receivables within this category. Subsequent measurement is carried out on a mandatory basis as at the date of preparation of the interim and annual financial statements, based on market quotations.

Receivables from related parties are financial assets arising from transactions between the Company and its related entities or parties within the meaning of IAS 24. They are classified as financial assets measured at amortised cost because:

- they are held for the purpose of collecting the contractual cash flows,
- the contractual terms result in cash flows consisting solely of principal and interest payments, where applicable.

Following initial recognition, receivables from related parties are measured:

- at amortised cost,
- using the effective interest method,
- less expected credit losses (ECL) in accordance with IFRS 9.

Where the effect of discounting is immaterial (current receivables), they are presented at their outstanding amount.

Receivables from related parties are presented:

- as current when due within 12 months;
- as non-current when the maturity exceeds 12 months.

Non-current receivables may be subject to discounting depending on materiality. In accordance with IAS 24, the Company discloses:

- the amount of receivables from related parties, by separate categories (subsidiaries, associates, key management personnel, etc.);
- the terms of the receivables – interest rates, maturities, collateral, and the existence of non-market terms; provisions for bad debts on the receivables, if any are expected.

- **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. They are usually due for settlement in the short term and are therefore classified as current assets. Trade receivables are initially recognised at the unconditional consideration, unless they contain significant financing components. The Company holds trade receivables for the purpose of collecting the contractual cash flows and therefore measures them at amortised cost using the effective interest method. Discounting is not applied where the effect of doing so is immaterial.

Financial assets at fair value through profit or loss

Financial assets to which neither the ‘held to collect contractual cash flows’ business model nor the ‘held for collection and sale’ business model applies, as well as financial assets whose contractual cash flows are not solely payments of principal and interest, are recognised at fair value through profit or loss. All derivative financial instruments are recognised in this category, except for those that are designated and effective as hedging instruments and to which the hedge accounting requirements apply (see below). Changes in the fair value of assets in this category are recognised in profit or loss. The fair value of financial assets in this category is determined using quoted prices in an active market or by applying valuation techniques where no active market exists.

Financial assets at fair value through other comprehensive income

The Group recognises financial assets at fair value through other comprehensive income if the assets meet the following conditions:

- The Company manages the assets within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and to sell them; and
- Under the contractual terms of the financial asset, cash flows arise on specific dates that consist solely of payments of principal and interest on the outstanding principal amount.

Financial assets at fair value through other comprehensive income include:

- Equity securities that are not held for trading and which the Company has irrevocably elected, upon initial recognition, to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.

Upon disposal of equity instruments from this category, any amount recognised in the revaluation reserve for the instruments is reclassified to retained earnings.

Upon disposal of debt instruments in this category, any amount recognised in the revaluation reserve for the instruments is reclassified to profit or loss for the period.

A reliable measurement of the fair value of a financial instrument is possible when there are insignificant fluctuations in reasonable estimates and the probabilities associated with the various estimates can be reasonably determined and used. The fair value of a financial instrument is calculated depending on the specific circumstances:

a) Where an active market exists – a published price quotation, as follows:

- for an asset held or a liability to be issued, the current bid price is used;
- for an asset to be acquired or a liability held, the current offer or selling price is used;

b) Where there is no current bid price or offer price, the price of the most recent transaction is used.

- a valuation by an independent rating agency;
- an appropriate valuation model fed with data from active markets.

c) Where no quotation is available on an active market, valuation techniques may be used, such as:

- comparison with the current market value of another similar financial instrument;
- determining the discounted cash flows expected from the financial instrument using discount rates equal to the prevailing rate of return for similar financial instruments;
- using option pricing models;
- on a constructed basis – where a market price exists for the individual components of the financial instrument.

4.11.4. Impairment of financial assets

The impairment requirements under IFRS 9 use forward-looking information to recognise expected credit losses – the ‘expected credit loss’ model.

The instruments falling within the scope of the new requirements include loans and other debt financial assets measured at amortised cost, trade receivables and receivables from related parties.

The recognition of credit losses no longer depends on the occurrence of a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and estimating expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected recoverability of the instrument’s future cash flows.

In applying this forward-looking approach, a distinction is made between:

- financial instruments whose credit quality has not deteriorated significantly since initial recognition or which have low credit risk (Stage 1); and
- financial instruments whose credit quality has deteriorated significantly since initial recognition or for which credit

risk is not low (Stage 2)

- 'Stage 3' covers financial assets for which there is objective evidence of impairment at the balance sheet date. None of the Company's financial assets fall into this category.

12-month expected credit losses are recognised for the first category, whilst expected losses over the entire life of the financial instruments are recognised for the second category. Expected credit losses are defined as the difference between all contractual cash flows due to the Group and the cash flows it actually expects to receive ('cash shortfall'). This difference is discounted at the original effective interest rate (or the credit-adjusted effective interest rate).

The calculation of expected credit losses is based on a probability-weighted estimate of credit losses over the expected life of the financial instruments.

Trade and other receivables

The Group uses a simplified approach when accounting for trade and other receivables, as well as contract assets, and recognises an impairment loss as expected credit losses over the entire term. These represent the expected shortfall in contractual cash flows, taking into account the possibility of default at any point during the term of the financial instrument.

The Company uses its accumulated experience, external indicators and long-term information to calculate expected credit losses by segmenting customers by industry and the maturity structure of receivables, and by applying a provisioning matrix.

The Company has analysed historical recovery data for its trade and other receivables and receivables from related parties; the results of this analysis indicate that the Company has not incurred any financial losses in previous periods and does not expect to incur any in the future..

Financial assets measured at fair value through other comprehensive income

The Company recognises expected 12-month credit losses for financial assets measured at fair value through other comprehensive income. The Company analyses the credit risk of the instrument at the end of the reporting period and, where there are indications of an increase in credit risk, expected credit losses are recognised.

In addition, the Company considers other indicators such as adverse changes in business, economic or financial conditions that may affect the issuer's ability to meet its debt obligations, or unexpected changes in the issuer's operating results.

If any of these indicators leads to a significant increase in the credit risk of the instruments, the Group recognises expected credit losses for the entire life of the instrument in respect of those instruments or that class of instruments.

Significant increase in credit risk

Expected credit losses are measured as an adjustment equal to the 12-month expected credit losses for assets in Stage 1, or the expected credit losses over the entire life of the asset for Stage 2 or Stage 3. An asset is transferred to Stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. When assessing whether the credit risk of a given asset has increased significantly, the Company takes into account qualitative and quantitative information that is reasonable and supportive of future developments.

4.11.5. Classification and measurement of financial liabilities

The Company's financial liabilities include obligations under lease agreements, trade payables and other financial liabilities.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the Company has designated a financial liability as at fair value through profit or loss, and where applicable, are adjusted for transaction costs, unless the Company has designated a financial liability as at fair value through profit or loss. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with the exception of derivatives and financial liabilities designated as at fair value through profit or loss (with the exception of derivative financial instruments that are designated and effective as hedging instruments). All expenses relating to interest and, where applicable, changes in the fair value of the instrument that are recognised in profit or loss are included in finance costs or finance income.

4.12. Income taxes

Tax expenses recognised in profit or loss comprise the sum of deferred and current tax that has not been recognised in other comprehensive income or directly in equity.

Current tax and duties comprise tax expense under the Corporate Income Tax Act and state duties under the Gambling Act.

A two-part state duty is levied for the issue and maintenance of an online betting licence, consisting of a one-off fee of BGN 400,000 (until the end of 2023 – BGN 100,000) and a variable component amounting to 20% of the difference between the value of bets received and winnings paid out. The Company accrues and pays the variable component of the state fee at the end of each monthly period.

Current tax assets and/or liabilities represent those liabilities to or receivables from the tax authorities relating to the current or previous reporting periods which have not been settled as at the date of the financial statements. Current tax is payable on taxable income, which differs from the profit or loss shown in the financial statements. The calculation of current tax is based on the tax rates and tax laws in force at the end of the reporting period.

Deferred tax is calculated using the liability method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. No deferred tax is recognised on the initial recognition of an asset or liability, unless the transaction in question affects either the taxable profit or the accounting profit.

Deferred tax assets and liabilities are not discounted. They are calculated using tax rates that are expected to apply in the period in which they are realised, provided that those rates have come into force or are certain to come into force by the end of the reporting period.

Deferred tax liabilities are recognised in full.

Deferred tax assets are recognised only if it is probable that they will be utilised against future taxable income. For management’s assessment of the probability of future taxable income arising against which deferred tax assets may be utilised, see note 4.23.

Deferred tax assets and liabilities are offset only where the Company has the right and intends to offset current tax assets or liabilities against the same tax authority.

A change in deferred tax assets or liabilities is recognised as a component of tax income or expense in profit or loss, unless they relate to items recognised in other comprehensive income (e.g. revaluation of land) or directly in equity, in which case the related deferred tax is recognised in other comprehensive income or in equity.

4.13. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, funds held in bank accounts, and short-term, highly liquid investments that are readily convertible into specific amounts of cash and carry an insignificant risk of change in value. The Group also recognises cash balances in accounts held with payment service providers, through which some of the transactions relating to the deposit and withdrawal of funds by customers in connection with bets placed and winnings paid out are carried out.

4.14. Equity and dividend payments

The Company’s share capital reflects the nominal value of the shares issued. Retained earnings comprise the current profit or loss and accumulated profits and accumulated losses from previous years.

The share premium reserve comprises premiums received on the initial issue of equity. Other reserves comprise statutory reserves set aside by the Company in accordance with the requirements of the Commercial Act.

The share-based payment reserve comprises the Company’s share-based payment obligations at the end of the reporting period, in accordance with the requirements of IFRS 2 Share-based Payment and IFRS 3 Business Combinations.

Expenses recognised in connection with the grant of equity instruments under group schemes for the grant of shares and share options to employees are accounted for as expenses relating to employee remuneration, against an increase in the Share-based Payment Reserve under the Equity section. When determining the value of the share options granted, the Company applies the requirements of IFRS 2 and recognises the fair value of the options granted as at the date of their grant (the so-called grant date).

Liabilities for the payment of dividends to shareholders are included under the heading ‘Liabilities to related parties’ in the statement of financial position when the dividends have been approved for distribution by the general meeting of shareholders before the end of the reporting period.

The nominal value of the repurchased own shares is presented as a reduction in share capital, and the difference between the repurchase price and their nominal value is presented as a reduction in the Company's share premium reserve. All transactions with the Company's owners are presented separately in the statement of changes in equity.

4.15. Pension and short-term employee benefits

The Company recognises short-term liabilities in respect of compensable leave arising from unused paid annual leave in cases where it is expected that such leave will be taken within 12 months of the end of the reporting period during which the employees performed the work relating to that leave. Current liabilities to staff include wages, salaries and social security contributions.

In accordance with the requirements of the Labour Code, upon termination of the employment relationship, once an employee has become entitled to a pension based on length of service and age, the Company is obliged to pay them compensation amounting to up to six gross monthly salaries.

The Company has recognised a legal liability for the payment of retirement benefits to employees in accordance with the requirements of IAS 19 'Employee Benefits' based on projected payments over the next five years, discounted to the present value using the long-term interest rate on risk-free securities. The Company has not developed nor does it implement any post-employment benefit plans.

Share-based payments

The Company operates share-based payment schemes as a form of employee remuneration. The Company's schemes include share-based payment options.

All goods and services received in exchange for share-based payments are measured at fair value. Where employees receive remuneration in the form of share-based payments, the fair value of their services is determined indirectly by the fair value of the financial instrument granted to them. This fair value is measured at the date the financial instrument is granted and does not take into account the impact of non-market conditions for vesting the rights attached to them (e.g. targets such as achieving a certain level of profitability and sales growth).

All share-based payments are recognised as an expense in profit or loss or as an asset if they are used to acquire assets and investments.

During each reporting period, the Company reviews its estimates of the expected number of instruments that will be exercised. Adjustments are recognised in the current period until the end of the vesting period. After the vesting period has ended, no adjustments are made to expenses recognised in previous periods, regardless of the instruments actually exercised.

Upon exercise of share options, the net proceeds, less any direct transaction costs, are credited to share capital up to the nominal value of the shares issued, and the amount exceeding the nominal value is recognised as a share premium reserve.

4.16. Provisions, contingent liabilities and contingent assets

Provisions are recognised when it is probable that present obligations arising from a past event will result in an outflow of resources from the Group and a reliable estimate of the amount of the obligation can be made. The timing or amount of the cash outflow may be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a result of past events, for example, guarantees, legal disputes or onerous contracts. Provisions for restructuring are recognised only if a detailed formal restructuring plan has been drawn up and implemented, or if management has announced the key elements of the restructuring plan to those who would be affected. Provisions for future operating losses are not recognised.

The amount recognised as a provision is calculated on the basis of the best estimate of the costs required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the present obligation. Where there are a number of similar liabilities, the probable outflow required to settle the liability is determined by considering the group of liabilities as a whole. Provisions are discounted where the effect of time value of money is material.

Compensation from third parties in respect of a liability, which the Group is certain it will receive, is recognised as a separate asset. This asset may not exceed the amount of the relevant provision.

Provisions are reviewed at the end of each reporting period and their value is adjusted to reflect the best estimate.

Where it is considered unlikely that an outflow of economic resources will arise as a result of a present obligation, a liability is not recognised. Contingent liabilities should be measured subsequently at the higher of the comparable provision described above and the amount initially recognised, less accumulated amortisation. Probable inflows of economic benefits that do not yet meet the criteria for recognition as an asset are treated as contingent assets. These are disclosed together with the Company's contingent liabilities in Note 27.

4.17. Share-based payments

Telematic Interactive Bulgaria AD, in its capacity as a public-interest entity and in accordance with the requirements of the applicable legislation (the Public Offering of Securities Act and Regulation No. 48 of 20 March 2013 on remuneration requirements, issued by the Chair of the Financial Supervision Commission), has drawn up a Remuneration Policy, the purpose of which is to establish clear and objective principles and requirements for determining the remuneration of members of the Board of Directors (BoD). Pursuant to Article 116c(1) of the Public Offering of Securities Act, the Company's Articles of Association and the Policy, the determination of the amount of remuneration for members of the Board of Directors, their entitlement to a share of the profits and their right to acquire shares or debt instruments of the Company falls within the remit of the General Meeting.

The Company may pay members of the Board of Directors both fixed and variable remuneration in the form of premiums, bonuses, retirement-related benefits and other material incentives, which are awarded on the basis of performance assessment criteria. Variable remuneration may be short-term or long-term. Short-term remuneration is paid in cash, whilst long-term remuneration is paid in the form of shares or options in the Company's share capital.

The payment of variable remuneration is made in accordance with objective and measurable criteria relating to results achieved and non-financial indicators, which are intended to promote the company's long-term stability and are significant for the company's long-term operations.

By a resolution of the Annual General Meeting of Shareholders of Telematic Interactive Bulgaria AD, held on 12 June 2025, an Incentive Scheme was approved for employees of the Company and its affiliated companies, involving shares in the share capital of TIB AD.

In accordance with the rules of the Programme, its implementation and execution fall entirely within the remit of the Board of Directors ("BoD") of the public company, which independently sets the criteria, assesses their fulfilment and determines the granting and amount of the relevant bonus in shares or share options. Part of the BoD's powers includes issuing instructions to specify the terms of the Programme. Such Instructions for determining additional annual remuneration (bonuses) in the form of shares or share options for employees for 2024 were approved by the BoD of TIB AD by a resolution dated 3 December 2024. Pursuant to Article 18 of the Instructions, the legal representatives of each of the companies (TIB AD and its affiliated companies) shall provide the Board of Directors of the public company with a list of employees who meet the criteria set out in the Programme.

The Company has recognised an accrual for share-based payments to staff, valued at the fair value of 2,800 shares at BGN 22.10 per share. The grant date is 29 September 2025. The provision is recognised as staff remuneration expense in the profit and loss account and as an increase in reserves. As at 31 December 2025, the Company had granted a total of 1,554 share options in accordance with option agreements entered into with certain employees on 3 January 2025. No share options had been exercised by the end of the year, which has no impact on the financial statements.

4.18. Segment reporting

Management identifies the operating segments on the basis of the main products and services offered by the Company. The Company's principal activity falls within a single segment: the organisation of online gambling games.

4.19. Significant judgements made by management in applying accounting policies

The significant judgements made by management in applying the Company's accounting policies, which have the most material effect on the financial statements, are described below.

4.20. Uncertainty of accounting estimates

In preparing the financial statements, management makes a number of assumptions, estimates and judgements regarding the recognition and measurement of assets, liabilities, income and expenses.

Actual results may differ from management's assumptions, estimates and judgements and, in rare cases, may not correspond exactly to the results previously estimated.

In preparing the financial statements presented, the significant judgements made by management in applying the Group's accounting policies and the principal sources of uncertainty in accounting estimates do not differ from those disclosed in the Group's consolidated financial statements as at 31 December 2025. Information regarding the significant assumptions, estimates and judgements that have the most significant impact on the recognition and measurement of assets, liabilities, revenue and expenses is presented below.

4.20.1. 4.23.1. Recognition of revenue from gambling activities where variable remuneration is involved

Revenue from gambling activities is linked to numerous credit rewards, bonus schemes and other types of incentives, which form an integral part of the nature of the Group's games and related sales. The Group's management is required to exercise its judgement as to whether, and to what extent, these bonus schemes confer material rights on customers that they would not otherwise have, and to allocate them accordingly to a separate performance obligation.

4.20.2. Measurement of expected credit losses

Credit losses represent the difference between all contractual cash flows due to the Company and all cash flows that the Company expects to receive. Expected credit losses are a probability-weighted estimate of credit losses that require the Company's judgement. Expected credit losses are discounted using the original effective interest rate (or the loan-adjusted effective interest rate for purchased or originally originated financial assets that are credit-impaired).

4.20.3. Impairment of non-financial assets

An impairment loss is recognised as the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. To determine value in use, the Group's management calculates the expected future cash flows for each cash-generating unit and determines an appropriate discount rate to calculate the present value of those cash flows. When calculating the expected future cash flows, management makes assumptions regarding future gross profits. These assumptions relate to future events and circumstances. Actual results may differ and may necessitate significant adjustments to the Group's assets in the next financial year.

In most cases, when determining the applicable discount rate, an assessment is made of the appropriate adjustments in relation to market risk and risk factors specific to individual assets.

4.20.4. Uncertainty regarding the determination of the Group's corporate tax liabilities and uncertain contingent tax liabilities

The Company's management has assessed whether it is likely that the tax authority would accept an uncertain tax treatment. In its operations, the Company has taken into account tax practice and the likely tax treatment; consequently, the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and the tax rate correspond to the treatment applied and expected to be applied when filing income tax returns.

4.20.5. Fair value measurement

Management uses techniques to measure the fair value of financial instruments (in the absence of quoted prices in an active market). When applying these valuation techniques, management makes maximum use of market data and assumptions that market participants would use when valuing a given instrument. Where applicable market data is unavailable, management uses its best estimate of the assumptions that market participants would make. These estimates may differ from the actual prices that would have been determined in an arm's-length transaction between knowledgeable and willing parties at the end of the reporting period (see Note11).

5. Intangible assets

Gross carrying amount	Licenses BGN'000	Software products BGN'000	Total BGN'000
Balance at 1 January 2025	925	215	1,140
Balance at 31 December 2025	**925**	**215**	**1,140**
Amortisation			
Balance at 1 January 2025	(279)	(130)	(409)
Amortisation charge	(168)	(17)	(185)
Balance at 31 December 2025	**(447)**	**(147)**	**(594)**
Carrying amount at 31 December 2025	**478**	**68**	**546**

Gross carrying amount	Licenses BGN'000	Software products BGN'000	Total BGN'000
Balance at 1 January 2024	310	180	490
Additions	685	35	720
Disposals	(70)	-	(70)
Balance at 31 December 2024	**925**	**215**	**1,140**
Amortisation			
Balance at 1 January 2024	(165)	(115)	(280)
Amortisation charge	(184)	(15)	(199)
Amortisation written off	70	-	70
Balance at 31 December 2024	**(279)**	**(130)**	**(409)**
Carrying amount at 31 December 2024	**646**	**85**	**731**

The Company's main intangible assets consist of licence fees paid for sports and online betting licences, which are issued for a term of 5 years.

All amortisation expenses are included in the statement of profit or loss and other comprehensive income under the heading 'Amortisation of non-financial assets'.

The Company has not pledged any intangible assets as security for its liabilities and has no material contractual obligations to acquire intangible assets as at 31 December 2025.

6. Property, plant and equipment and right-of-use assets

	Computers and periphery	Furniture and fixtures	Equipment and long-term assets	Vehicles	Right-of-use assets - properties	Total
Gross carrying amount	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Balance at 1 January 2025	356	111	63	30	1,152	1,712
Additions	151	13	2	-	-	166
Balance at 31 December 2025	**507**	**124**	**65**	**30**	**1,152**	**1,878**
Depreciation						
Balance at 1 January 2025	(159)	(33)	(26)	(22)	(461)	(701)
Depreciation charge	(67)	(17)	(10)	(7)	(230)	(331)
Balance at 31 December 2025	**(226)**	**(50)**	**(36)**	**(29)**	**(691)**	**(1,032)**
Carrying amount at 31 December 2025	**281**	**74**	**29**	**1**	**461**	**846**

	Computers and periphery	Furniture and fixtures	Equipment and long-term assets	Vehicles	Right-of-use assets - properties	Total
Gross carrying amount	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Balance at 1 January 2024	229	60	53	30	1,152	1,524
Additions	127	51	10	-	-	188
Balance at 31 December 2024	**356**	**111**	**63**	**30**	**1,152**	**1,712**
Depreciation						
Balance at 1 January 2024	(120)	(23)	(17)	(14)	(231)	(405)
Depreciation charge	(39)	(10)	(9)	(8)	(230)	(296)
Balance at 31 December 2024	**(159)**	**(33)**	**(26)**	**(22)**	**(461)**	**(701)**
Carrying amount at 31 December 2024	**197**	**78**	**37**	**8**	**691**	**1,011**

All depreciation charges are included under “Depreciation of non-financial assets”. The Company has no contractual obligation to purchase assets due to be settled in 2026.

As at 31 December 2025, there were no material contractual obligations relating to the purchase of property, plant and equipment. The Company has not pledged any property, plant and equipment as security for its liabilities. The Company recognises right-of-use assets in connection with concluded leases for office and other premises. The lease liabilities corresponding to the right-of-use assets are presented in Note 18 Lease liabilities.

7. Investments in subsidiaries and joint ventures

7.1 Investments in subsidiaries

Subsidiary name	Principal activities	Country of incorporation	31.12.2025		31.12.2024	
			BGN’000	Interest (%)	BGN’000	Interest (%)
CT Interactive EOOD	provision for use and rental, creation, modification and development of new software products for online games	Bulgaria	14,260	100	12,660	100
Miland Games OOD	development, maintenance, modification, distribution, licensing and provision of gaming software, software and online access	Bulgaria	800	60	-	-
Telematic Sport AD	research and development of software for sports betting platforms, leasing of software products	Bulgaria	5,867	60	-	-
Palmsbet Curacao B.V.	online casino platform and sports betting	Curacao	598	100	693	100
TIB Consult Sociedad Anonima(TIB Consult S.A.C.)	online casino platform payment operator	Peru	5,792	99	2,368	99
			27,317		**15,721**	

Investments in subsidiaries are recognised in the Company’s financial statements using the cost method.

The subsidiary CT Interactive EOOD was registered on 9 February 2021 in Bulgaria with an initial share capital of BGN 8,910 thousand, which has been increased several times since its registration. During the reporting period, a further capital increase of BGN 1,600 thousand was carried out through a cash contribution, and as at 31 December 2025, the registered capital of CT Interactive EOOD amounted to BGN 14,260 thousand. The activities of CT Interactive EOOD include the provision of online content for gambling websites. The increase was carried out in connection with the financing of investments to develop new software and set up an online studio for broadcasting live games.

Miland Games OOD is a newly acquired company in which the parent company holds a 60% stake. The company’s activities involve the development of games and software for land-based sports betting.

Telematic Sport AD is a newly acquired company in which the parent company holds a 60% stake. The company’s business is the development of an online platform for sports betting. The acquisition of the shares in the subsidiary is to be carried out in stages, with payments to be made in cash, shares and share options in Telematic Interactive Bulgaria AD. A contingent consideration has also been agreed, based on pre-defined performance targets for the subsidiary’s business development. The investment has been recognised at its full value, including the contingent consideration, and amounts to a total of BGN 5,867 thousand. As at 31 December 2025, in connection with these agreements, the parent company recognises a liability under contracts for the purchase of investments amounting to BGN 2,934 thousand and a reserve for share-based payment transactions amounting to BGN 1,369 thousand.

Palmsbet Curacao B.V. was incorporated on 12 October 2022 in Curaçao. Palmsbet Curacao B.V.’s business consists of an online casino platform and sports betting for countries in Latin America; in 2024, Palmsbet Curaçao B.V. transferred its rights to operate an online casino in Peru to the local subsidiary of Telematic Interactive Bulgaria AD, TIB Consult Sociedad Anonima.

TIB Consult Sociedad Anonima (TIB Consult S.A.C.) was registered on 12 January 2023 in Peru with a view to developing online betting activities in that country. During the reporting period, the subsidiary's capital was increased by BGN 3,424 thousand to develop its operations in Peru, with a focus on advertising campaigns to promote the brand and attract customers. The subsidiary's registered capital as at 31 December 2025 amounted to BGN 5,792 thousand.

As at the date of preparation of the separate annual financial statements, the Company had not received any dividends from its subsidiaries. The Company has no contingent liabilities or other commitments relating to investments in subsidiaries.

7.2 Investments in joint ventures

The investment in a joint venture is carried at cost. The joint venture's financial statement date is 31 December, and the summarised financial information for the joint venture is as follows:

Joint venture	31.12.2025	31.12.2024	Interest	2025	2025	31.12.2025
	Investment amount BGN'000	Investment amount BGN'000	%	Revenue BGN'000	Financial result BGN'000	Net assets BGN'000
77 BITS BTC DOO Bitola	3,473	3,473	50	-	-	4,497
Impairment	(1,146)	-				
	2,327	**3,473**				

In 2023, the Company acquired an investment in the joint venture 77 BITS BSC DOO Bitola, registered in the Republic of North Macedonia, the carrying amount of which as at 31 December 2025 was BGN 3,473 thousand. Telematic Interactive Bulgaria AD holds 50% of the voting rights in the joint venture.

The joint venture has won a tender to obtain the right to operate an online betting business in the Republic of North Macedonia, organised by the country's State Lottery.

Under the terms of the tender, on 9 January 2024, 77 Bits BSC Ltd registered a joint venture with the State Lottery – 77 Bits Ltd – in which it holds a 49% stake. In this way, TIB acquired an indirect stake in one of the licensed gambling operators.

The operator commenced operations in early August 2024, and by a decision dated 26 September 2024, the Government of the Republic of North Macedonia authorised the initiation of proceedings to propose the winding up of the three companies – online gambling operators, including 'State Lottery – 77 BITS' DOO Bitola – which had acquired the right to operate in the country during the previous year. This is the result of a new authoritative interpretation of the current legislation by the newly elected parliament of the Republic of North Macedonia. As a result of this decision, proceedings were initiated for the dissolution and liquidation of the joint venture, which 77 BITS BSC DOO is challenging in court.

As at the end of 2025, there had been no positive developments in the process of resolving the situation regarding operations in the Republic of North Macedonia, as a result of which an impairment loss of BGN 1,146 thousand was recognised on this investment. As at 31 December 2025, the recoverable amount of the assets in the companies 77 Bits BSC DOO and State Lottery-77 Bits DOO exceeds the current carrying amount of the investment, after the impairment loss has been recognised. The Company continues to assess the recoverable amount of these assets, in accordance with its policy on the impairment of non-financial assets.

8. Deferred tax (assets)/liabilities

Deferred tax (assets)/liabilities	1 January 2025 BGN'000	Recognised in profit or loss BGN'000	31 December 2025 BGN'000
Payables to personnel	(58)	-	(58)
Impairment of investments	(35)	(126)	(161)
Deferred tax (assets)	**(93)**	**(126)**	**(219)**

Deferred tax (assets)/liabilities	1 January 2024 BGN'000	Recognised in profit or loss BGN'000	31 December 2024 BGN'000
Payables to personnel	(33)	(25)	(58)
Impairment of investments	-	(35)	(35)
Remeasurement of financial assets	30	(30)	-
Deferred tax (assets)	**(3)**	**(90)**	**(93)**

All deferred tax assets are included in the statement of financial position.

9. Advances granted and other receivables

	31.12.2025 BGN'000	31.12.2024 BGN'000
Advances granted for investments	5,026	5,026
Prepayments	338	74
Advances for business transactions	510	315
Other receivables and assets	138	738
	6,012	**6,153**

In 2024, the Company made contractual advance payments totalling 5,026 thousand BGN in connection with the development of its business and the acquisition of a licence in the United Arab Emirates.

10. Financial assets at fair value

	31.12.2025 BGN'000	31.12.2024 BGN'000
Financial instruments at fair value through profit or loss		
Money market fund	5,017	8,777
Current financial assets	**5,017**	**8,777**
Equity instruments at fair value through other comprehensive income		
Unlisted equity instruments	300	300
Non-current financial assets	**300**	**300**
Total	**5,317**	**9,077**

Financial instruments at fair value through profit or loss

As at 31 December 2025, the Company reported an investment in a Schroder mutual fund amounting to 5,017 thousand BGN (2024: BGN 8,777 thousand), which is measured at fair value based on the redemption price of the units as at that date. Gains and losses are recognised in the statement of profit or loss and other comprehensive income under the headings finance costs and finance income.

Investments in debt instruments are measured at fair value, determined on the basis of market quotations as at the date of the financial statements. Gains and losses are recognised in the statement of profit or loss and other comprehensive income under the headings finance costs and finance income.

Determining fair values

Financial assets recognised at fair value in the statement of financial position are categorised into three levels in accordance with the fair value hierarchy. This hierarchy is determined on the basis of the significance of the input data used in determining the fair value of financial assets and liabilities, as follows:

- Level 1: market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input data other than market prices included in Level 1, which can be observed for a given asset or liability, either directly (i.e. as prices) or indirectly (i.e. based on prices); and
- Level 3: input data for a specific asset or liability that is not based on observable market data. A financial asset or liability is classified at the lowest level of significant input data used to determine its fair value.

31 December 2025	Level 1 BGN'000 BGN'000	Level 2 BGN'000	Level 3 BGN'000	Total
Financial assets				
Money market fund	-	5,017	-	5,017
Unlisted equity instruments	-	-	300	300
Total assets	**-**	**5,017**	**300**	**5,317**

31 December 2024	Level 1 BGN'000	Level 2 BGN'000	Level 3 BGN'000	Total BGN'000
Financial assets				
Money market fund	-	8,777	-	8,777
Unlisted equity instruments	-	-	300	300
Total assets	**-**	**8,777**	**300**	**9,077**

Exchange-traded investments are presented in Bulgarian leva. Their fair values have been determined on the basis of their ask prices on the reporting date. The fair value of investments in mutual funds is estimated on the basis of the redemption price of the fund units. Gains and losses arising from the remeasurement of the fair value of financial instruments are included in the items 'Finance income' and 'Finance expenses' in the Statement of Profit or Loss and Other Comprehensive Income.

For the Company's financial assets classified at Level 3, valuation techniques are used based on internal valuation models for equity investments, using the company's net asset model. Equity instruments are measured at the acquisition cost of the assets, for which a change analysis was carried out at the reporting date, and no material deviations in the measurement of the investment were identified. No remeasurement of financial assets were recognised in other comprehensive income during the period..

11. Cash and cash equivalents

Cash and cash equivalents include the following elements:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Cash in hand	1,864	1,623
Cash with banks	522	4,881
Cash with payment operators	17,935	21,486
Cash and cash equivalents	**20,321**	**27,990**

The amount of cash and cash equivalents held as security against potential receivables arising from card payments in connection with transactions with the Company's payment operators as at 31 December 2025 was BGN 282,000 (31 December 2024: BGN 322,000.

The Company has assessed the expected credit losses on cash and cash equivalents. The estimated amount is less than 0.5% of the gross value of cash held with financial institutions; it has therefore been determined to be immaterial and has not been recognised in the Company's financial statements.

12. Equity

12. 1 Share capital and treasury shares

As at 31 December 2025, the Company's authorised capital consists of 12,960,018 ordinary shares with a nominal value of 1 BGN.

The structure of the share capital is as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Subscribed share capital	12,960	12,960
Treasury shares	(161)	(34)
Share capital	12,799	12,926

The Company's shares are traded on the Bulgarian Stock Exchange AD. The shares carry the right to receive dividends and a share in the liquidation proceeds, and each share represents one vote at the general meeting of shareholders.

As at 31 December 2025, the Company's majority shareholder is Eldorado Corporation AD, holding an 89.73% stake in the share capital, whose ultimate beneficial owners are Milo Stratiev Borisov and Rosina Stratieva Borisova. The shares of Eldorado Corporation AD are not traded on a stock exchange.

Pursuant to a resolution of the General Meeting of Shareholders dated 11 March 2024, the parent company repurchased 134,536 of its own shares in 2025 (2024: 33,861 shares), representing 1.299% of all voting shares issued by Telematic Interactive Bulgaria AD.

The treasury shares have a nominal value of BGN 135,000 (2024: BGN 34,000), which is reflected as a reduction in the company's share capital at the end of the reporting period in the statement of financial position. The share premium reserve attributable to the repurchased shares is BGN 2,803 thousand.

Share-based payment

In 2025 TIB AD implemented an employee incentive scheme involving shares in the capital of Telematic Interactive Bulgaria AD, under which employees must have completed at least 12 months' service within the Group by the date on which the bonus is determined by a resolution of the Board of Directors, unless the company's Board of Directors decides to apply a shorter qualifying period or to waive the minimum service requirement for newly appointed employees.

In implementation of the Scheme, during the period the parent company transferred 2,800 shares to its employees, each with a nominal value of 1 BGN and a price of 22.10 BGN per share as at the date of transfer. The parent company has measured the fair value of the services received by reference to the fair value of the shares granted, determined on the date of transfer based on the on the Bulgarian Stock Exchange (BSE). The parent company accounts for the Programme as share-based payment transactions settled through equity instruments. The Programme was implemented entirely using treasury shares repurchased by the parent company.

Pursuant to investment acquisition agreements dated 4 September 2025, part of the sale price is paid in shares; as at the end of the reporting period, 4,483 of the repurchased shares had been transferred for BGN 98,000.

The number of treasury shares outstanding as at 31 December 2025 was 161,144. These are presented in the statement of financial position at par value; accordingly, the Group's stated share capital as at the end of the reporting period has been reduced by their par value.

12.2 Earnings per share

Basic earnings per share have been calculated on the basis of the net profit available for distribution to shareholders and the Company's weighted average number of shares, as follows:

	2025	2024
Profit available for distribution (in BGN)	14,990,541	20,265,358
Weighted average number of shares	12,838,652	12,947,129
Basic earnings per share (in BGN per share)	**1.17**	**1.57**

Information on the dividends distributed by the Company to its shareholders for the two reporting periods is set out in Note 24 to the separate financial statements.

12.3 Reserves

The Company's reserves, amounting to 15,134 thousand BGN (2024: 16,416 thousand BGN), include a share premium reserve of 12,465 thousand BGN (2024: BGN 15,116 thousand), statutory reserves of BGN 1,300 thousand (2024: BGN 1,300 thousand) and a reserve for share-based payment transactions of BGN 1,369 thousand (2024: BGN 0).

The share premium reserve was formed as the difference between the issue price and the nominal value of an issue of 320,006 shares in 2022, amounting to 15,680 thousand BGN, reduced by the amount of treasury shares subsequently repurchased in 2025. The company reported a reduction in the share premium reserve of 2,803 thousand BGN, which is the difference between the nominal value and the price of the shares repurchased during the period.

In 2025, in respect of share-based payment transactions, such as the distribution of staff bonuses or the transfer of shares under contracts, the company reported an increase in the share premium reserve of BGN 152 thousand. During the period, the Company set aside reserves from share-based payment transactions amounting to BGN 1,529 thousand in connection with a contract concluded for the purchase of an investment in a subsidiary, for which partial payment in the form of shares and share options of the Company was agreed, as well as with an employee share payment scheme which came into effect during the period.

13. Staff remuneration

13.1 Employee benefits

Employee benefits include:

	2025 BGN'000	2024 BGN'000
Salaries	(12,078)	(9,257)
Share-based payments	(62)	-
Social security	(1,841)	(1,341)
Employee benefits	**(13,981)**	**(10,598)**

During the period, the parent company made share-based payments to its employees in accordance with its approved staff incentive policy. At the end of the reporting period, the Group assessed the amounts due and determined that the amount of the provision to be recognised was immaterial.

13.2 Payables to personnel

Liabilities to staff recognised in the statement of financial position comprise the following amounts:	31.12.2025 BGN'000	31.12.2024 BGN'000
Current:		
Current remuneration	1,011	991
Provisions for staff's untaken leave	340	340
Provisions for bonuses payable to members of the Management Board	87	66
Social security and tax liabilities relating to staff	214	149
Current pension and other payables to staff	**1,652**	**1,546**

The current portion of staff liabilities comprises liabilities to the Company's current and former employees, which are due to be settled in 2026. Other short-term staff liabilities arise mainly in connection with accrued untaken leave at the end of the reporting period. As no employee is entitled to early retirement, the remainder of the pension liabilities is treated as long-term.

14. Trade and other payables

	31.12.2025 BGN'000	31.12.2024 BGN'000
Trade payables	3,713	3,195
Other payables	2	24
	3,715	**3,219**

15. Other tax liabilities

	31.12.2025 BGN'000	31.12.2024 BGN'000
State fee under Article 38 of the Gambling Act	2,462	2,394
VAT payable	92	160
Withholding tax on personal income	166	177
Withholding tax	175	241
	2,895	**2,972**

16. Client deposits

Funds deposited by customers, amounting to 3,590 thousand BGN (2024: BGN 3,604 thousand) represent amounts paid in advance by customers for online gaming and sports betting, and are released at the customer's request when the customer realises a profit.

17. Lease liabilities

Leases recognized in the statement of financial position

	31.12.2025 BGN'000	31.12.2024 BGN'000
Lease liabilities – non-current portion	226	492
Lease liabilities – current portion	241	230

Lease liabilities	**467**	**722**

The Company enters into leases for office and other premises, in respect of which it recognises lease liabilities. With the exception of short-term leases and leases of low-value assets, each lease is recognised in the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments that do not depend on an index or variable interest rates (for example, lease payments based on a percentage of the Company's sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets consistently in Note 6.

Each lease typically imposes a restriction that the right-of-use assets may only be used by the Company, unless the Company has a contractual right to sublease the asset to a third party. Lease agreements are either non-cancellable or may be cancelled only upon payment of substantial penalties for early termination. The Company is prohibited from selling or pledging the leased assets as security. Under the lease agreement for the office premises, the Company must maintain the leased properties in good condition and return them to their original condition upon expiry of the lease.

Future minimum lease payments as at 31 December 2025 are as follows:

	Up to 1 year BGN'000	1-2 years BGN'000	Total BGN'000
31 December 2025			
Lease payments	266	239	505
Finance costs	(25)	(13)	(38)
Net present value	**241**	**226**	**467**

Leases not recognized as liabilities

The Company has elected not to recognise a liability under lease agreements if they are short-term (leases with an expected term of 12 months or less) or if they relate to the hire of low-value assets. Payments made under these lease agreements are recognised as an expense on a straight-line basis. In addition, certain variable lease payments cannot be recognised as lease liabilities and are recognised as an expense as and when they arise.

As at 31 December 2025, the Company had no outstanding commitments for payments under short-term lease agreements. Expenses relating to variable lease payments that are not recognised as lease liabilities include rents based on revenue from the use of the underlying asset and additional costs for the use of office equipment in excess of a specified fixed amount.

Right-of-use assets and liabilities under lease agreements have been calculated and recognised as at 31 December 2025 in accordance with the terms of lease agreements entered into at the end of 2022.

Interest expense on lease agreements, included in finance costs for the year ended 31 December 2025, amounted to BGN 36 thousand (2024: BGN 58 thousand). Further information on the types of right-of-use assets is provided in Note 6.

18. Revenue

The Company recognises as revenue the total amount of bets placed, less amounts due to customers and the incentives it offers to its customers. The Company recognises revenue from the transfer of goods and services both at a point in time and on a continuous basis across the following main types of games:

	2025 BGN'000	2024 BGN'000
Revenue from betting	131,170	128,221
Revenue from the provision of online content	54	77
Revenue from the sale of other services	**131,224**	**128,298**
Revenue from contracts with customers within the scope of IFRS 15	47	5
Other revenue	**47**	**5**
Revenue outside the scope of IFRS 15	**131,271**	**128,303**

The Company recognises as revenue the total amount of bets placed, less the amounts owed to customers and the incentives it offers to its customers.

Revenue by activity	2025 BGN'000	2024 BGN'000
Casino games	117,778	117,571
Sports betting	13,392	10,650
	131,170	**128,221**

The majority of the Company's revenue is generated on the domestic market, with the proportion of overseas customers being insignificant. Other operating revenue, amounting to BGN 101,000 (2024: BGN 82,000), comprises additional services and the write-off of liabilities.

19. Hired services

	2025 BGN'000	2024 BGN'000
Advertising	(27,979)	(24,131)
Gaming providers	(23,726)	(23,956)
Bank charges	(11,227)	(11,940)
Software services	(2,176)	(1,922)
Communications and utilities	(1,704)	(1,390)
Technical support	(901)	(709)
Accounting and legal services	(499)	(650)
Consultancy services	(233)	(540)
Rent	(101)	(98)
Other	(128)	(161)
	(68,674)	**(65,497)**

The fee for the financial audit of the separate financial statements for 2025 amounts to BGN 99,000 including VAT (2024: BGN 94,000). During the period up to the date of the auditor's report, the independent auditor did not provide any other services.

20. Other expenses

	2025 BGN'000	2024 BGN'000
Gambling Act fees	(26,472)	(25,951)
Additional non-monetary and material bonuses and rewards	(706)	(947)
Withholding tax	(479)	(517)
Other expenses	(2,026)	(1,806)
	(29,683)	**(29,221)**

In addition to the tax regulations relating to ordinary commercial activities, the Company is also subject to specific requirements, such as a monthly licence fee under the Gambling Act amounting to 20% of the difference between the value of bets received and winnings paid out.

21. Finance income and costs

	2025 BGN'000	2024 BGN'000
Interest on loans granted	154	98
Gains on financial instruments measured at fair value through profit or loss	155	747
Gain on share holding	35	-
Foreign exchange gains on cash, receivables and payables	27	111
Finance income	**371**	**956**
Interest expense on leases	(36)	(58)
Foreign exchange losses on cash, receivables and payables	(218)	(127)
Losses on financial instruments measured at fair value through profit or loss	-	(3)
Other finance costs	-	(6)
Finance costs	**(254)**	**(194)**

22. Income tax expense

The expected tax expense, based on the applicable tax rate for Bulgaria of 10% (2024: 10%).

	2025 BGN'000	2024 BGN'000
Profit before tax	16,767	22,562
Tax rate	10%	10%
Expected income tax expense	**(1,677)**	**(2,256)**
Tax effect of:		
Reductions in the financial result for tax purposes	102	137
Increases in the financial result for tax purposes	(327)	(268)
Current income tax expense	**(1,902)**	**(2,387)**
Deferred tax income/loss:		
Recognition and reversal of temporary difference	126	90
Income tax expense	**(1,776)**	**(2,297)**

23. Dividends

During the period, the company declared dividends totalling 15,782 thousand BGN and paid dividends amounting to 16,202 thousand BGN in accordance with the minutes of the General Meeting of Shareholders held on 6 December 2024, 24 March 2025, 12 June 2025 and 25 September 2025. The 5% tax on dividends paid to individuals, amounting to 38,000 BGN for 2025, was deducted from the gross amount of the dividends.

The dividend of 3,200 thousand BGN, approved in December 2025 by the General Meeting of Shareholders, was paid in January 2026. The liability for the unpaid supplementary dividend is presented under the heading 'Dividend liabilities' in the statement of financial position as at 31 December 2025.

In accordance with the Company's Articles of Association, it must distribute a dividend of not less than 40 per cent of the profit for the previous financial year as shown in the audited annual accounts, unless any of the following circumstances apply: a decline in sales revenue of more than 25% compared with the previous period; profit has fallen by more than 40% compared with the previous period; the interest-bearing debt to equity ratio exceeds 1. The Company has fulfilled its commitments for 2023, 2024 and 2025.

24. Related party transactions

The Company's related parties include the owners, subsidiaries, joint ventures, entities under common control, key management personnel and others described below.

Unless otherwise stated, transactions with related parties were not carried out on special terms and no guarantees were given or received.

Receivables from related parties total BGN 3,999 thousand (2024: BGN 1,900 thousand), of which receivables from loans granted amount to BGN 3,121 thousand (2024: BGN 1,599 thousand), interest amounting to BGN 239 thousand (2024: BGN 110 thousand) and BGN 639 thousand (2024: BGN 191 thousand) in trade receivables.

Loans granted to subsidiaries are due in 2026, whilst loans to related parties under common control are due between 2027 and 2030. All loans carry a fixed agreed interest rate and are unsecured.

The loan granted to the joint venture matures in 2026, has a fixed agreed interest rate and is unsecured.

The Company recognises liabilities to related parties amounting to BGN 846,000 (2024: BGN 176 thousand) of a commercial nature and liabilities for dividends amounting to BGN 3,200 thousand (2024: BGN 3,620 thousand). The Company has not received any guarantees from related parties, nor has it provided any such guarantees in favour of related parties.

24.1. Transactions with owners	**2025 BGN'000**	**2024 BGN'000**
Purchases of services	103	61
Dividend distribution	15,782	26,157
Dividend payments	16,202	27,711
Accrued investment income	35	-

24.2. Transactions with subsidiaries

Purchases of services	6,686	4,499
Capital contributions	11,718	4,827
Loans granted	1,492	-
Interest accrued	71	20

24.3. Transactions with joint ventures

Additional cash contributions	-	1,238
Loan granted	-	135
Interest accrued	14	11

24.4. Transactions with other related parties under common control

Purchases of goods and services	14,331	4,426
Loans granted	173	351
Interest accrued	63	41

24.5. Transactions with key management personnel

The Company's key management personnel comprise the members of the Board of Directors and the operating directors of the parent company.

Remuneration of key management personnel comprises the following expenses:

	2025 BGN'000	**2024 BGN'000**
Current remuneration:		
Salaries, incl.:	381	557
Bonuses	*133*	*165*
Social security contributions	7	12
Total remuneration	**388**	**569**

25. Related party balances at the end of the period

	31.12.2025 BGN'000	**31.12.2024 BGN'000**
Non-current receivables from:		
- subsidiaries	392	-
- other related parties under common control	1,110	951
Total non-current receivables from related parties	**1,502**	**951**
Current receivables from:		
- owners	35	-
- subsidiaries	1,631	480
- joint ventures	160	146
- other related parties under common control	671	323
Total current receivables from related parties	**2,497**	**949**
Total receivables from related parties	**3,999**	**1,900**
Current payables to:		
- owners for dividends	3,200	3,620
- subsidiaries	287	115
- other related parties under common control for supplies	559	61
Total current payables to related parties	**4,046**	**3,796**
Total payables to related parties	**4,046**	**3,796**

26. Contingent assets and contingent liabilities

No legal claims were brought against the Company during the year.

Legal claims

No significant legal claims have been brought against the companies in the Company.

Tax liabilities

The Company has no overdue tax liabilities. There are no material enforceable penalty orders or financial penalties due.

27. Non-cash transactions

During the period, the Company carried out a non-cash investment transaction amounting to BGN 98,000 in connection with a contract entered into for the purchase of investments in subsidiaries.

No other non-cash investment or financial transactions involving the use of cash or cash equivalents were carried out during the period.

28. Categories of financial assets and liabilities

The carrying amounts of the Company's financial assets and liabilities can be presented in the following categories:

Financial assets		**31.12.2025 BGN'000**	**31.12.2024 BGN'000**
Long-term instruments at amortised cost: Trade receivables and other	14	123	5
Receivables from related parties	25	3,999	1,900
Advances granted for investments	14	5,026	5,026
Cash and cash equivalents	11	20,321	27,990
Financial assets at fair value	10	5,317	9,077
		34,786	**43,998**
Financial liabilities			
Financial liabilities carried at amortised cost: Trade and other payables	14	3,715	3,219
Payables to related parties	25	846	176
Payables to staff	13.2	1,652	1,546
Customer deposits	16	3,590	3,604
		9,803	**8,545**

29. Risk management

Management's objectives and policy on risk management

The Company's risk management is carried out by its key management personnel in collaboration with the owner. Management's priority is to secure short- and medium-term cash flows whilst reducing its exposure to financial markets.

The main risks facing the company are as follows:

Gambling is a sensitive social and political issue, which leads to more frequent changes in regulations, the introduction of stricter controls, additional taxes and levies, new technical requirements and restrictions. Despite the complex and sensitive nature of the business, the trend is towards a stable and well-controlled regulatory framework, with an increasing number of countries adopting or refining their regulations. Accordingly, Telematic Interactive Bulgaria AD operates within a complex regulatory environment affecting its business, which is constantly evolving, often towards stricter requirements, whilst in rare cases countries have even banned gambling activities entirely. An additional risk is that online gambling is a relatively new sector globally, having only recently begun to develop; consequently, the legislation is incomplete and lacks sufficient established precedents, which poses a risk that the enforcement of regulations may be unclear and inconsistent. In Bulgaria, the regulatory framework is well developed; online gambling has been regulated since 2013, experience has been gained in its implementation, and regulatory risk is low. In the future, with the entry into new markets, this risk may be significantly higher for some countries, but operating in more markets reduces this risk, as the likelihood of adverse regulatory changes occurring in several markets simultaneously is low.

Entering the B2B segment also helps to reduce regulatory risk, as this risk is limited given the operation across a very large number of markets, and the risk is borne by the relevant operator rather than the games provider.

In addition to being a licensed activity, with the associated additional operational requirements, the Group is also subject to other regulations relating to data protection, anti-money laundering/counter-terrorist financing measures and anti-corruption. Implementing and complying with these regulations requires significant human and financial resources, and compliance is of key importance to the company's operations.

Revocation of the operating licence

The main risk is the revocation of the licence, which would lead to the cessation of operations in the relevant jurisdiction (as at the date of the prospectus – Bulgaria only). The regulator has the power to revoke the licence in the event of non-payment of taxes, breaches of regulatory requirements, serious breaches of legal requirements, etc. Telematic Interactive Bulgaria AD has implemented an internal control system which ensures compliance with legal requirements and minimises this risk.

Taxation and fees

The taxes paid by companies in Bulgaria include corporation tax, local taxes and duties, value added tax, withholding tax and licence fees. Maintaining the current tax regime is important for the Group's financial performance. At present, the corporation tax rate in Bulgaria is 10 per cent. In addition to the tax regulations relating to ordinary commercial activities, Telematic Interactive Bulgaria AD is also subject to specific requirements, such as a monthly licence fee amounting to 20 per cent of the difference between the value of bets received and winnings paid out. Taxes and fees set by the state account for the bulk of the company's expenses; consequently, any tightening of these regulations would have a significant impact on the company's financial results. At present, the relevant state authorities have not announced any plans to introduce changes in this regard. The tax system in the countries where the expansion of operations is planned is still evolving; as a result, there is a risk that inconsistent tax practices may arise and that new taxes and government levies may be introduced or existing ones increased.

Anti-money laundering measures

Regulations relating to the prevention of money laundering and the financing of terrorism have been a focus of policy at European level in recent years and are evolving rapidly. Gambling has been identified as a high-risk sector and is therefore subject to strict monitoring and regulation. Operators are obliged to identify every customer and to monitor and report potentially risky transactions. Failure to identify and address such cases may expose the company to a significant risk of sanctions and damage its reputation. A positive factor is that, as an online operator, transactions are carried out electronically and predominantly involve small amounts.

Inflation risk

Price risk is linked to the general level of inflation in the country and the level of competition. The risk of rising inflation leads to a depreciation of investments made or the value of savings over time. Given the country's commitments and desire to become a member of the European Monetary Union (EMU) and the associated inflation requirements, measures can be expected from the Bulgarian National Bank (BNB) and the government to keep inflation within the specified limits (the Maastricht criteria for EMU membership).

In recent years, inflation has been contained, but since 2020 there have been significant fluctuations in the prices of certain goods and services, with shortages of certain components and goods leading to a substantial increase in costs and, consequently, in the general price level. The nature of the business, with almost entirely current payments, exposes Telematic Interactive Bulgaria AD to minimal inflationary risk. A negative effect would be the continuation of current levels for an extended period, which would limit households' disposable income. A significant mitigating factor for this risk is the link between costs and revenue – over three-quarters of operating costs are revenue-linked and are therefore unaffected by changes in price levels. A significant impact on costs is observed in the form of rising wages, which is also due to the tight labour market.

According to NSI data for 2025, average annual inflation stands at 4.6% compared with 2024,

Currency risk

Currency risk relates to the Group companies' revenue and expenses denominated in different currencies.

As at 2025, the issuer's revenue and expenses are denominated in Bulgarian leva. With the introduction of the euro as Bulgaria's official currency from 2026 and our entry into the Eurozone, currency risk will be significantly reduced.

As the expansion plans are implemented, the proportion of revenue and expenses in currencies other than the euro is expected to increase, which would expose the group's companies to a certain degree of currency risk. This risk is mitigated by the fact that expenses are denominated in local currency and calculated as a percentage of revenue; in other words, the risk relates primarily to the lev equivalent of revenue, but this would have a very limited impact on the profit margin.

The expansion of operations into new markets will significantly increase transactions in currencies other than the lev and the euro. In the future, changes in exchange rates could give rise to a certain currency risk and may affect the company's results.

As at 31 December 2025 the Company is not exposed to significant currency risk – its short-term investments are in euros, whilst the remaining financial assets and liabilities are mainly in euros and US dollars.

Credit risk / counterparty default risk

This is the risk that counterparties of the Group companies will fail to meet their financial obligations.

Due to the nature of the business, customers deposit funds into their accounts in advance, and Telematic Interactive Bulgaria AD has minimal receivables from customers. Credit risk is primarily associated with the holding of significant amounts of the company's own and customers' funds with financial institutions. To minimise this risk, Telematic Interactive Bulgaria AD works exclusively with payment operators and banks with an established presence and proven reputation, whilst free cash is invested solely in financial instruments with the highest credit ratings. Systems have been established for the exchange of information in real time or via systems that guarantee execution. The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the end of the reporting period, as set out below:

Financial assets		**31.12.2025 BGN'000**	**31.12.2024 BGN'000**
Debt instruments at amortised cost:			
Trade and other receivables	14	123	5
Receivables from related parties	25	3,999	1,900
Advances granted for investments	14	5,026	5,026
Cash and cash equivalents	11	20,321	27,990
Financial assets at fair value	10	5,317	9,077
		34,786	**43,998**

The Company has not pledged its financial assets as collateral in connection with other transactions.

No impairment loss has been recognised in respect of them. The carrying amounts set out above represent the Company's maximum possible exposure to credit risk in respect of these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its current obligations. The Group maintains high levels of liquidity, with a significant proportion of its assets held entirely in cash – over 30% of assets as at 31 December 2025 consisted of cash and cash equivalents. Liabilities consist mainly of customer deposits and trade payables to suppliers. The cash held exceeds the amount of current liabilities, which exposes the Group to minimal liquidity risk. As at 31 December 2025, the maturities of the Company's contractual liabilities (including interest payments, where applicable) are summarised as follows:

Financial liabilities		**31.12.2025 Current up to 6 months BGN'000**	**31.12.2024 Current up to 6 months BGN'000**
Financial liabilities at amortised cost:			
Trade and other payables	14	3,715	3,219
Payables to related parties	25	846	176

Payables to staff	13.2	1,652	1,546
Client deposits	16	3,590	3,604
Total		**9,803**	**8,545**

30. Capital management policy

The Company's objectives in relation to capital management are:

- to ensure the Company's ability to continue as a going concern; and
- to ensure an adequate return for shareholders by setting the prices of its products and services in line with the level of risk.

The Company monitors its capital on the basis of the ratio of capital to net debt. Net debt comprises the sum of all the Company's liabilities, less the carrying amount of cash and cash equivalents. Capital for the reporting periods presented can be analysed as follows:

	31.12.2025 BGN'000	31.12.2024 BGN'000
Equity	47,502	49,702
Liabilities	19,402	16,447
- Cash and cash equivalents	(20,321)	(27,990)
Net debt	**(919)**	**(11,543)**
Adjusted equity to net debt ratio	**1: (0.02)**	**1: (0.23)**

31. Events after the end of the reporting period

On 16 December 2025, a general meeting of the Company's shareholders was held, at which a dividend distribution of BGN 3,200 thousand was approved; this was paid in full at the beginning of 2026.

On 22 January 2026, Telematic Interactive Bulgaria AD subscribed for and acquired, at par value, 3,000,000 new shares with a par value of 1 PEN each, arising from the capital increase of the subsidiary TIB Consult S.A.C., Peru, for the sum of 3,000,000 PEN, the equivalent of approximately EUR 764,700. As a result of the capital increase, TIB AD's shareholding remains at 99.99% of the share capital of TIB Consult S.A.C.

In connection with the introduction of the euro in the Republic of Bulgaria, with effect from 1 January 2026, the Company implemented all necessary changes to its banking and accounting systems, as well as to its gaming platform. All customer accounts were revalued. The process was completed successfully without any significant difficulties or incidents being recorded.

On 17 February 2026, Telematic Interactive Bulgaria AD entered into a share purchase agreement and acquired 51% of the share capital of 7MOJOS INTERACTIVE EOOD, Varna. The total sale price for the transaction is EUR 3,000,000, to be paid in three equal cash instalments, each amounting to EUR 1,000,000.

On 27 March 2026, a general meeting of shareholders of the Company was held, at which a dividend distribution of EUR 0.18 per share was approved; this had been paid in full by the reporting date.

The military conflict that has broken out in the Middle East has no impact on the Company's operations, as it does not have a significant customer base in the affected countries.

No adjusting events or other significant non-adjusting events have occurred between the date of the financial statements and the date of their authorisation for issue.

32. Approval of the separate financial statements

The annual separate financial statements as at 31 December 2025 (including the comparative information for 2024 contained therein) were approved for publication by the Board of Directors on 25 March 2026.

TELEMATIC
INTERACTIVE

ANNUAL MANAGEMENT ACTIVITY REPORT

as at 31 December 2025
SEPARATE

Statements relating to future performance

This report contains forward-looking statements and forecasts such as: ‘believe’, ‘anticipate’, ‘expect’, ‘estimate’, ‘assume’, ‘aim to’, ‘plan to’ and others. Such statements are subject to a number of risks and uncertainties which may not only affect but also cause variations and differences between the company’s actual results and our current expectations and forecasts.

Please take into account all risks and limitations that could affect the results of Telematic Interactive Bulgaria AD, and do not place undue reliance on the accuracy of the forecasts contained in this statement.

We undertake no obligation to update this statement in light of events, circumstances, changes in expectations or unforeseen developments occurring after the date of the aforementioned statement.

In preparing this annual report on operations, the financial indicators set out in the Company’s annual financial statements for 2025 have been used.

Regulatory and other Company information available at:

Investor relations | Telematic Interactive and www.x3news.com

ANNUAL MANAGEMENT ACTIVITY REPORT

as at 31 December 2025

SEPARATE ....

2025 in numbers

96 499
Средно-месечни активни клиенти

117.8 млн. лв.
Приходи от казино игри

13.4 млн. лв.
Приходи от спортни залози

0.2%
Ръст на активните клиенти

2.1%
Ръст на среден приход от клиент

2.3%
Ръст на приходи

13.6%
EBIT Margin

11.4%
Рентабилност на чистата печалба

31%
ROE

ANNUAL MANAGEMENT ACTIVITY REPORT

Principal activities and Company development over the year

A. About the Company

Telematic Interactive Bulgaria AD (TIB, PalmsBet, the Company) is a licensed online gambling operator. The Company commenced operations in 2015 and operates under the PalmsBet brand (www.palmsbet.com) within Bulgaria. Online gaming accounts for the entirety of its revenue, with services offered in two main areas – online casino and sports betting. The Company offers a variety of online slot games, live casino, bingo and table games, as well as the opportunity to bet on a full range of sporting events. The business operates entirely on a B2C basis – customers are individuals who deposit funds to take part in gaming.

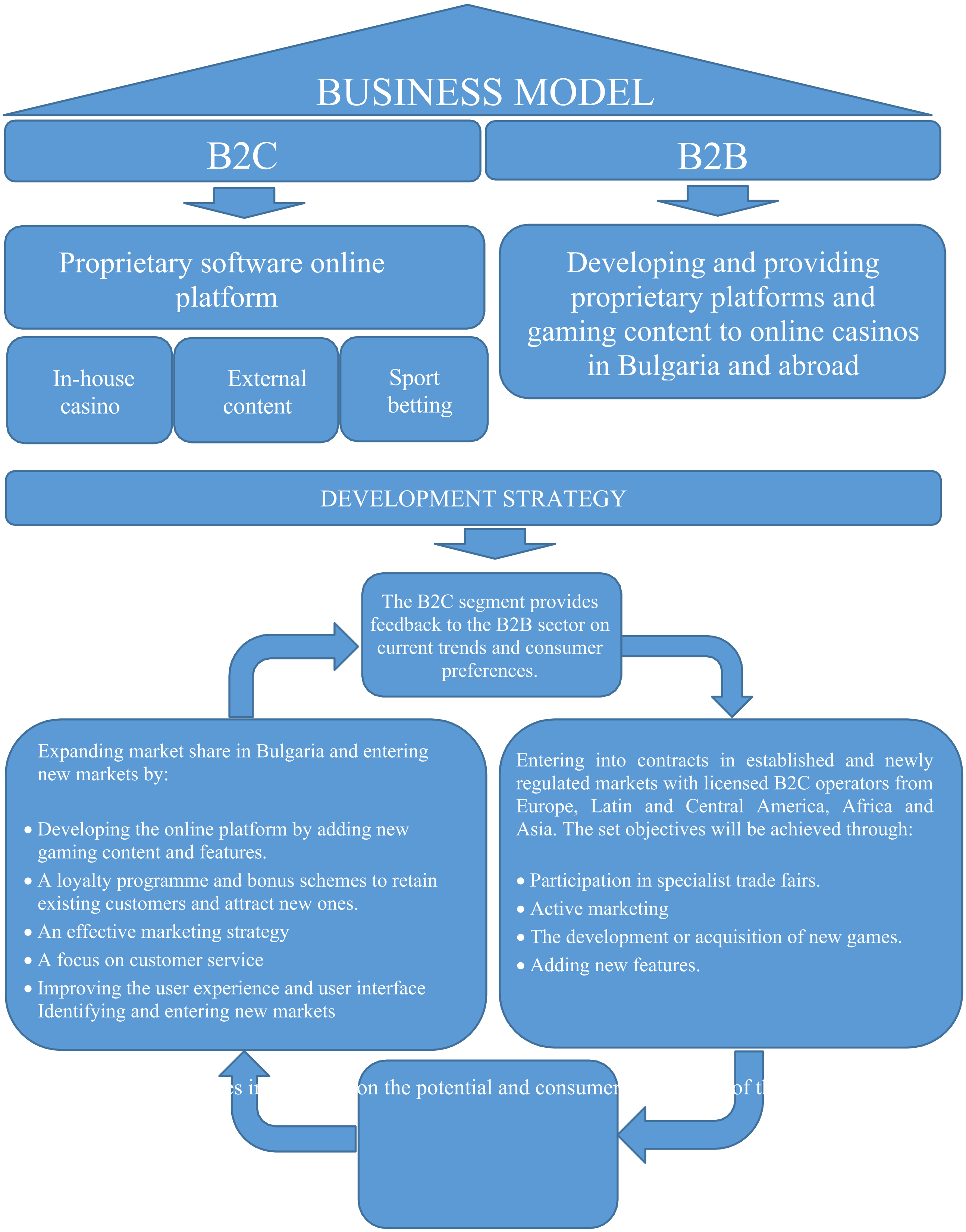
Casino and slot games have a long-standing tradition, but their online development began relatively recently, and TIB entered this new and rapidly growing market at an early stage. Thanks to our skilled and motivated team, our in-depth knowledge of the market and the development of attractive products, we have established ourselves as one of the leading market players. In 2022, the Company went public through an initial public offering (IPO).

B. Business model and development strategy

Telematic Interactive Bulgaria AD derives its revenue entirely from online casino services, striving to offer a full range of games and building its own capacity to develop software and gaming content. The group owns its own online platform (the rights to which are held by CT Interactive EOOD), into which both the group's own games and content from external providers are integrated. The online platform is a software platform that ensures the operation and interoperability of the website (the online casino), the gaming content, as well as the applications related to accounting (deposits, payments) and other back-office activities. Through its subsidiary, CT Interactive EOOD holds the exclusive rights to distribute online over 330 online slot games, as well as related software applications, which are adapted for online access via mobile devices, computers and tablets. CT Interactive EOOD holds the necessary licences to operate from the regulatory authorities in Bulgaria, Romania and Malta, as well as the required certifications for the distribution of games in the relevant markets. CT Interactive EOOD has two types of clients – operators (online casinos) and platforms (aggregators, distributors) of gaming content.

The Company's strategy in the B2C segment is to grow by expanding its market share in Bulgaria and entering new markets, as well as by developing vertical integration through investment in gaming content (including live casino) and software products related to its core business – online casino platforms, a sports betting platform and others. The focus is on attracting and retaining customers by continuously improving their experience. We achieve this by actively developing the platform, expanding the range of products on offer and their features, whilst maintaining a constant focus on customer service.

Another key element of the development strategy for the B2C segment is the implementation of an active and effective marketing strategy. The Company also pays very close attention to the structure of the website. It is vital that users feel comfortable when using the service provided by the Company ; to this end, the Company has a dedicated team working continuously to optimise the website. Global trends in the industry are constantly monitored, and the latest developments are implemented to achieve maximum customer satisfaction.


BUSINESS MODEL
B2C
B2B
Proprietary software online platform
In-house casino
External content
Sport betting
Developing and providing proprietary platforms and gaming content to online casinos in Bulgaria and abroad
DEVELOPMENT STRATEGY
The B2C segment provides feedback to the B2B sector on current trends and consumer preferences.
Expanding market share in Bulgaria and entering new markets by:
• Developing the online platform by adding new gaming content and features.
• A loyalty programme and bonus schemes to retain existing customers and attract new ones.
• An effective marketing strategy
• A focus on customer service
• Improving the user experience and user interface Identifying and entering new markets
Entering into contracts in established and newly regulated markets with licensed B2C operators from Europe, Latin and Central America, Africa and Asia. The set objectives will be achieved through:
• Participation in specialist trade fairs.
• Active marketing
• The development or acquisition of new games.
• Adding new features.
on the potential and consumer

By combining the two segments, B2C and B2B, the Company aims to realise business synergies and economies of scale. On the one hand, the B2B business (carried out through the subsidiary CT Interactive EOOD, Telematic Sport AD and Miland Games OOD), operating in a large number of countries, provides advance and reliable information on the potential and consumer preferences of the relevant market, which aids management decision-making when identifying countries for the expansion of the B2C business. For its part, direct communication between the B2C segment and the end user provides timely feedback to the B2B segment on current trends and consumer tastes, which helps to create suitable new gaming concepts and respond to demand in the short term. When entering a new market, the B2C business has the advantage of entering a market where gaming content is already familiar, through established business relationships with other B2C operators in the same market. At the same time, the B2C segment itself is an important marketing channel for promoting the games offered by the B2B segment.

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C. Main developments over the year.

In 2025, the online gambling market reached maturity but continued to grow at a rapid pace. This also had a positive effect on TIB's revenue since the start of the year, with the company successfully retaining existing customers and expanding its customer base, albeit at a slower pace. In this environment, TIB AD reported positive growth rates, with sports betting being the main source of growth during the period. The latter continue to benefit from the migration to a new sports betting platform and the improvements made to the product. This is due in part to the company's ongoing commitment to improving the product and the quality of service, which enables it to retain and expand its market position. Casino games are the main driver, but an additional focus during the year was the development of the sports betting segment.

Work continued on improving the casino games product, with new providers offering attractive and unique games being added. TIB also carried out a number of improvements to the website www.palmsbet.com in terms of functionality, design and content. Development of the platform continues with the creation of new features and attractive offers that enhance the user experience and foster brand loyalty. Investments were made in the development of the mobile app, which has improved the user experience on mobile phones and tablets..

In 2024, new regulatory rules came into force in Peru, requiring operators active in the country to obtain the necessary licences for their operations, which was a key focus in this market during the year. Following the granting of these licences, the focus on expanding market positions has intensified since the start of the year. This also included a capital increase in several tranches for TIB Consult S.A.C., Peru, totalling BGN 3.4 million. Following the capital increase, Telematic Interactive Bulgaria AD's shareholding remains at 99.99% of the share capital. The capital increase was intended to finance capacity expansion and active marketing for more aggressive business development, which had a positive effect on revenue at the end of 2025. Palmsbet Curacao was also linked to the operations in Peru, which obtained a separate licence. Consequently, there was a temporary suspension of Palmsbet's active trading operations, leading to an impairment of the investment amounting to BGN 121,000. As at 31 December 2024, Palmsbet Curacao held a valid gambling licence issued by the Curacao Gaming Commission, which can be utilised for future business projects in Latin America.

In September 2025, TIB acquired 60% of the share capital of Telematic Sport AD and Miland Games OOD for EUR 3 million and BGN 800,000, respectively. The acquired companies develop gaming content and a sports betting platform. The acquisition expanded and enriched TIB's portfolio of proprietary products and its capacity to develop new products. In the final quarter of 2025, TIB provided additional funding for the operations of Telematic Sport AD in the form of a loan of EUR 219,826 to support the development of its product range.

The share capital of CT Interactive EOOD was increased by BGN 1.6 million in connection with the development of a new product – live online games – and the financing of campaigns to promote gaming content. By a resolution of 24 June 2025 of the Board of Directors (BoD) of Telematic Interactive Bulgaria AD, on 7 July 2025 the share capital of the subsidiary CT Interactive EOOD was increased by BGN 600,000 to BGN 14,260,000.

TIB AD entered into a loan agreement with CT Interactive EOOD, under which it granted its subsidiary a loan of BGN 1,100,000. The term of the agreement is 31 May 2025, and the interest rate is fixed at 5% per annum. In February 2025, CT Interactive EOOD granted a loan to RS Consult AD in the amount of 1,100,000 BGN, at an annual interest rate of 5% and with a contract term ending on 31 May 2025.

Investments in the development of operations in Kenya are continuing, aimed at supporting strong revenue growth, although the operations are not yet generating a profit. On 12 March 2025, TIB AD entered into a loan agreement with South Cape Investments Ltd, Kenya, for an amount of $300,000 and a term – 31.05.2025 г.

Investments in the development of operations in Kenya are continuing, with a view to supporting strong revenue growth, although the operations are not yet generating a profit. On 12 March 2025, TIB AD entered into a loan agreement with South Cape Investments Ltd, Kenya, for an amount of $300,000 and a term of 5 years. The loan will be drawn down in instalments.

On 27 March 2025 and 2 April 2025 TIB AD entered into an agreement with MBS TRADE AD for a total value of 5.2 BGN, valid until the end of the year, concerning advertising via an LED system on the pitch during football matches, as well as agency and advertising services. On 18 June 2025, an annex was signed, increasing the contract value by BGN 240,000.

On 28 February 2025, following the sale of 52,305 shares in Eldorado Corporation AD, the direct stake in TIB AD was reduced from 90.40% to 89.73%.

D. Regulatory environment

The market segment in which TIB operates is a specialised one and operates within a highly regulated environment. A licence from the National Revenue Agency (NRA) is required to distribute online gambling games. A two-part state fee is levied for the issue and maintenance of an online betting licence, consisting of a one-off fee and a variable component amounting to 20% of the difference between the value of bets received and winnings paid out. All game providers must be certified by the Bulgarian Institute of Metrology (BIM) or a recognised external agency, after which they are approved by the National Revenue Agency (NRA). In a second stage, they are approved by the NRA upon the operator's request to have them included in their licence. General rules, as well as rules governing bonus and promotional campaigns, are also subject to approval.

In April 2024, new rules on the advertising of gambling games were adopted, including a ban on advertising on the radio, television, in public places and in electronic media. These changes were accompanied by new requirements regarding the content of advertisements, aimed at preventing problem gambling and protecting consumers. A register of vulnerable individuals is also in operation, allowing people with a gambling addiction and anyone wishing to self-exclude to be included in the register, whilst operators are obliged to deny these individuals access to gambling venues and online betting sites.

In connection with the implementation of anti-money laundering measures and for tax purposes, operators are obliged to identify their customers. Handling customers' funds and collecting personal data requires exceptionally high standards of information security and database protection. The company has implemented measures to effectively protect the personal data it processes and to enable data subjects to exercise their rights as set out in REGULATION 2016/679, having adopted Internal Rules on the Protection of Personal Data. Procedures are in place governing the methods of communication in the event of a complaint, data portability, transparency in the processing of personal data, the management of data subjects' requests, the obtaining of consent, notifying data breaches, storing and destroying documents, as well as a number of other technical measures to ensure the security of personal data. Access to personal data is restricted to those individuals whose job roles require access to the data, for the purpose of carrying out the activities for which the data was collected and is being processed.

To fulfil its regulatory obligations, TIB has developed and implements strict procedures to ensure compliance with regulatory requirements, and utilises the most up-to-date and effective technical and organisational measures to protect data from misuse, loss, damage or unauthorised access, alteration or deletion. Security measures are continuously tested and improved in line with technical progress and organisational capabilities, including through independent technical audits to assess the security of the IT infrastructure and by requiring the same of its suppliers.

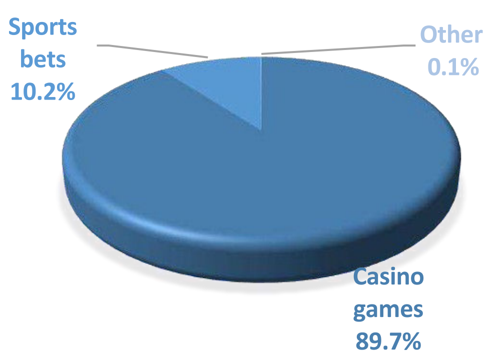
E. Market environment

The regulator, represented by the National Revenue Agency (NRA), does not provide summary information on the market; consequently, there is a lack of official data on its growth in terms of volume. Following rapid growth after 2020, during which the market's strong expansion attracted numerous competitors, the market environment stabilised in 2025 and the market's growth rate slowed. The total value of the online betting market, based on indirect data from the National Revenue Agency for 2025, can be estimated at approximately BGN 1.1 billion. Competition is intense, with new operators continuing to enter the market in 2025. The online market is characterised by exceptionally high mobile usage – over 90% of consumer activity takes place via mobile devices, whilst only around 10% use a desktop computer.

As of 2025, there are over 26 licensed online operators operating in Bulgaria, some of which are currently inactive or specialise in a specific segment (poker, bingo). An unknown number of unlicensed operators also operate in Bulgaria, some of which are internationally renowned and have a significant presence on the local market. Foreign operators are primarily focused on the sports betting segment. In the casino games segment, competition is mainly between local operators, whilst among the foreign operators, Betano is actively developing both sports betting and casino games.

TIB relies on an effective marketing campaign combined with diverse and innovative bonus schemes that attract and retain customers. The Company has established partnerships with numerous sports clubs, sports federations and individual athletes. Among these, Levski FC and the Bulgarian Rhythmic Gymnastics Federation stand out. This has led to greater brand recognition for PalmsBet and significantly enhanced the Company 's competitive advantages. A key advantage is the ownership of its own platform, which provides greater flexibility and enables the Company to adapt its product to customer demand at short notice.

F. Operating activities



100% share of the Bulgarian market in non-consolidated revenue

100% share of the B2C segment in total con-consolidated revenue in 2024

TIB's revenue on an unconsolidated basis in 2025 was generated entirely by the Bulgarian B2C market – online betting by individual end customers. The majority of revenue is generated from casino games – 98.7% (2024: 91.6%). The remainder of revenue comes from sports betting, 10.2% (2024: 8.3%). TIB has a broad portfolio of games from third-party providers, as well as its own content, held through subsidiaries, which provides relative independence and the opportunity to offer diverse and unique gaming content. The company is constantly expanding its portfolio with a variety of games; in addition to the usual slot games, it has added live gaming via streaming, bingo and more, whilst in the sports segment it offers virtual sports games and special events. During the year, the mobile app was developed; a number of new features were introduced and both the interface and the software architecture were significantly improved, which is a key factor in enhancing the user experience and, consequently, attracting and retaining customers.

The subsidiaries CT Interactive EOOD, Telematic Sport AD and Miland Games OOD operate in the B2B segment, offering their own online games, products and platforms, which are available in almost every country. The subsidiaries own an online casino platform, a sports betting platform, as well as the exclusive rights to distribute over 330 online slot games online, along with related software applications that are adapted for online access via mobile devices, computers and tablets. CT Interactive EOOD holds the necessary licences to operate, issued by the regulatory authorities in Bulgaria, Romania and Malta, as well as the required certifications for the distribution of games in the relevant markets. The B2B segment comprises operators (online casinos) and platforms (aggregators, distributors) for gaming content. At the end of 2024, the company also launched its own live casino platform, which was an important long-term project.

G. Our employees

TIB has built up a skilled and motivated team, investing significant effort in the training and development of its staff, as well as in attracting employees with substantial experience. In 2025, TIB increased its average headcount for the year by 39 to a total of 263 employees as part of its efforts to improve product development and customer service. Its skilled and motivated staff are TIB's key asset. With a view to attracting and retaining high-class staff, who are key to the Company's development, TIB has developed a performance- and results-based remuneration system, which was enhanced in 2025 with a share-based incentive scheme for staff.

Average annual number of employees by category (year-on-year)

	2022	2023	2024	2025
Ръководители	9	15	30	33
Специалисти	25	27	40	42
Техници и приложни специалисти	16	17	15	15
Помощен адм. персонал	30	34	75	89
Други	2	3	5	6
ОБЩО ПЕРСОНАЛ	82	96	165	185

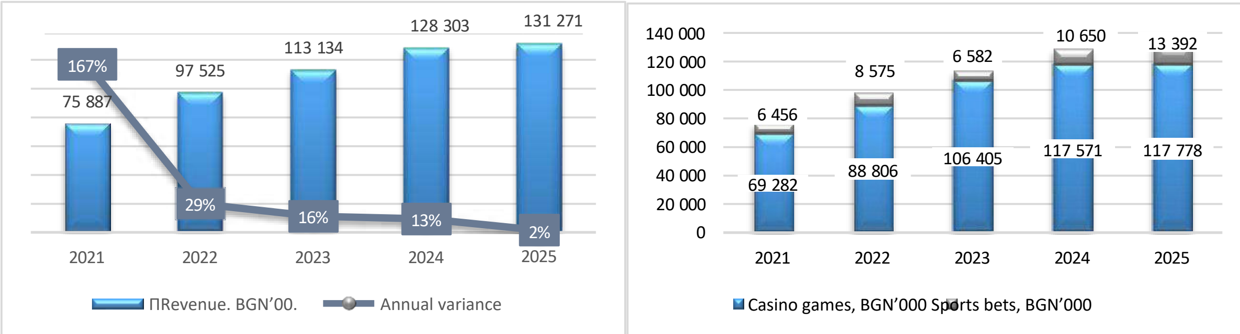
Note: Excluding maternity leaves

H. Financial performance

Revenue from bets received and from services

Telematic Interactive Bulgaria AD has seen revenue growth in recent years, although the pace of growth continues to slow. The generally positive economic trend, falling inflation and rising incomes are also having a positive effect on the company's revenue. In a highly competitive environment, TIB's operating revenue for the year as a whole increased by 2.3% compared with 2024, reaching BGN 131.3 million. These results were influenced by the favourable market environment, the ongoing expansion of the market as a whole, and the company's flexible policy of developing new offerings for customers. Restrictions on advertising had no significant negative impact on TIB AD's results, and the pace of business growth was maintained. Sponsorship of sports clubs and events was a key component of the company's marketing mix, where no restrictions were imposed. In contrast to the general trend, TV advertising was among the least utilised channels, and consequently the impact was limited. The most significant factor was the restriction on digital advertising, where the negative impact was largely offset thanks to the long-term efforts invested in SEO optimisation.

Revenue dynamics and structure



Revenue is generated from two main areas – casino games (slot games, live casino game streaming, etc.) and sports betting (sports results, sporting events). Telematic Interactive Bulgaria AD has a strong position and competitive advantages in slot games, where revenue remained stable over the nine-month period and accounted for the bulk of total revenue – 90%. In a highly competitive environment, the company continues to successfully attract new customers, whilst also successfully retaining existing ones through a broad portfolio of games, good customer service and active communication with customers.

Revenue from sports betting accounts for 10% of total operating revenue and recorded year-on-year growth of 25.7%, as a result of maintaining the higher levels seen in the previous year, alongside the successful roll-out of the new sports betting platform. The new platform offers significantly improved features and functionality, enabling the company to enhance the quality and options available to customers and to boost its performance. These product improvements have enabled the company to sustainably enhance its performance in the segment; over the last six months, sports betting has accounted for a significant proportion of the year-on-year increase in revenue. Revenue from sports betting typically exhibits significant volatility on a monthly basis due to its dependence on individual events, which normalises as the period lengthens.

Revenue structure

In BGN'000	2023	2024	2025	Variance 24/23	Variance 25/24
Casino games	106,405	117,571	117,778	10.5%	0.2%
% of revenue	94.1%	91.6%	89.7%		
Sports betting	6,582	10,650	13,392	61.8%	25.7%
% of revenue	5.8%	8.3%	10.2%		
Gaming content	147	82	101	-44.2%	23.2%
% of revenue	0.1%	0.1%	0.1%		
Other services	**113,134**	**128,303**	**131,271**	13.4%	2.3%

Client basis

The year-on-year increase in revenue is primarily due to the rise in average revenue per customer, whilst the number of active customers per month has risen only slightly. In Q4 25, the trend in active customers is reversed, as the figures are significantly influenced by promotional and bonus campaigns, which lead to a short-term increase in active customers and, consequently, a decrease in average revenue per customer. Active customers reached an average of 96.5 thousand per month in 2025, representing a 0.2% year-on-year increase. Average revenue per customer rose by 2.1% year-on-year since the start of the year, positively influenced by the improved structuring of bonus campaigns.

In 2025, the dropout rate stands at 6%, with the figure remaining stable throughout the year. The focus on customer service is maintained (significant investment is being made in the capacity and training of the customer service centre) and the use of a highly functional CRM system (customer relationship management system) enables us to adopt a personalised approach when targeting our customer base. This allows us to build and retain a loyal customer base, which is crucial for operational efficiency in a competitive environment and given the rising costs of acquiring new customers. Combined with the active roll-out of new features, products and offers, this has enabled the churn rate to be maintained at consistently low levels over the last quarter.

The conversion rate remains high, with an average monthly rate of 60% in 2025. New strategies for combining marketing and campaigns have made a significant positive contribution to this, substantially increasing the number of new registrations from mid-2024 onwards. At the same time, substantial investment has led to an overall improvement in the product across all aspects – interface, user experience, features and software optimisations.

Metrics relating to the customer base
Average monthly figures

	2023	2024	2025	Variance 24/23	Variance 25/24
Active clients, BGN'000	88 662	96 334	96,499	8.7%	0.2%
Average revenue by client, BGN	106	111	113	4.3%	2.1%
Conversion rate*	33%	75%	60%	125.7%	-20.9%
Dropout rate**	4%	8%	6%	115.1%	-52.6%

** The ratio between new accounts (players that placed their first bet) and new registrations (website sigh-ups), average monthly.*

*** The ratio between dropouts and the number of active clients in the previous month.*

As a result of this policy, the dropout rate is significantly below industry averages. The strong performance in this metric is due to the reactivation of inactive customers, thanks to proactive measures taken by the Company . At the same time, the long-term retention of active customers is the result of measures taken to continuously improve the product on offer and to meet customer needs for diverse content and services, as well as attractive promotional programmes.

Expenses

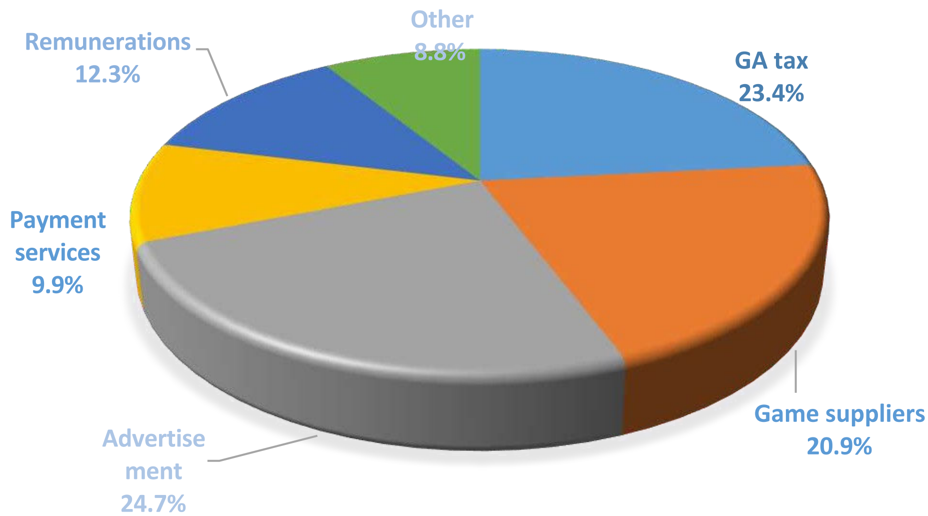
Operating expenses for the business in 2025 are set to rise by 6.8%, reaching BGN 113.35 million. Advertising costs account for the largest share of the cost structure (24.7 %) followed by fees under the Gambling Act (23.4 %) and costs for game providers (20.9 %). These are followed by bank charges, accounting for 9.9% of total operating expenses, and costs for salaries and social security contributions, accounting for 12.3%. Other operating expenses (8.8% share) comprise expenditure on software services, sponsorships and donations, communications and utilities, and consultancy services.

The higher rate of growth in expenditure relative to revenue leads to an increase in the ratio of operating expenditure to total revenue from 82.7% in 2024 to 86.4% in 2025. This increase is primarily due to a rise in the proportion of expenditure on remuneration and marketing, partly offset by a decrease in expenditure on payment services, gaming content and consultancy services.

Cost of materials

The cost of materials accounts for an insignificant proportion of total costs, at 0.4%. The 44.5% increase in 2025 to BGN 0.5 million (2024: BGN 0.35 million) is due to a rise in expenditure on advertising materials.

Structure of operating expenses in 2025



Hired services

The largest share of the Company's reported expenses is accounted for by costs relating to game providers, advertising, payment services and tax under the Gambling Act, which make up around 4/5 of the Company 's operating expenses.

Telematic Interactive Bulgaria AD uses games from external suppliers, with whom it has concluded revenue-sharing agreements (a percentage of the revenue generated by the games of the respective supplier), including with its subsidiaries. Despite the increase in revenue, expenditure on game providers fell by 1% to BGN 23.7 million (2024: BGN 24 million). The positive impact on keeping game costs in check is the result of improved terms with some providers and the optimisation of promotional terms.

During the reporting period, advertising and marketing expenses rose by 15.9% to BGN 28 million (2024: BGN 24.1 million). Marketing expenses were negatively affected by increased competition and price rises across certain marketing channels. A positive effect was seen from the reduction in affiliate costs, following a cutback in digital advertising.

Cost structure

In BGN'000	2023	2024	2025	Variance 24/23	Variance 25/24
Cost of materials	227	346	500	52.4%	44.5%
Hired services expense	57,726	65,497	68,674	13.5%	4.9%
Employee benefits expense	6,945	10,598	13,981	52.6%	31.9%
Other operating expenses	24,841	29,221	29,683	17.6%	1.6%
Depreciation and amortization expense	377	495	516	31.3%	4.2%
EBITDA	**23,018**	**22,146**	**17,917**	**-3.8%**	**-19.1%**
Net profit for the period	**21,102**	**20,265**	**14,991**	**-4.0%**	**-26.0%**

The costs of payment services relate to the fees charged by banks and payment service providers for accepting deposits and making payments to customers, and are linked to the volume of business. The fee structure of payment service providers is tiered – the smaller the amount, the higher the fee as a percentage of that amount. Thus, payment service costs also depend on customer behaviour – the number of deposits/withdrawals and their average value. The downward trend in fee costs is reflected in a 6% reduction in 2025 to BGN 11.2 million (2024: BGN 11.9 million) as a result of optimising terms and conditions that reduce the volume of deposits and withdrawals whilst maintaining revenue.

Software service costs rise by 13.2% to reach BGN 2.2 million (2024: BGN 1.9 million). This item includes fees for the customer relationship management system and for communication with customers; these costs are linked to the size of the customer base. The increase is due to more active communication with customers.

Communication service costs (internet and hosting) rose by 22.2% to BGN 1.7 million (2024: BGN 1.4 million) and are linked to increased traffic resulting from the operation of the live casino and the use of streaming services. Higher technical support costs, up 27.1% to BGN 0.9 million (2024: BGN 0.7 million), were linked to the development of new software functionalities and investment in the development of the mobile app.

Other expenses

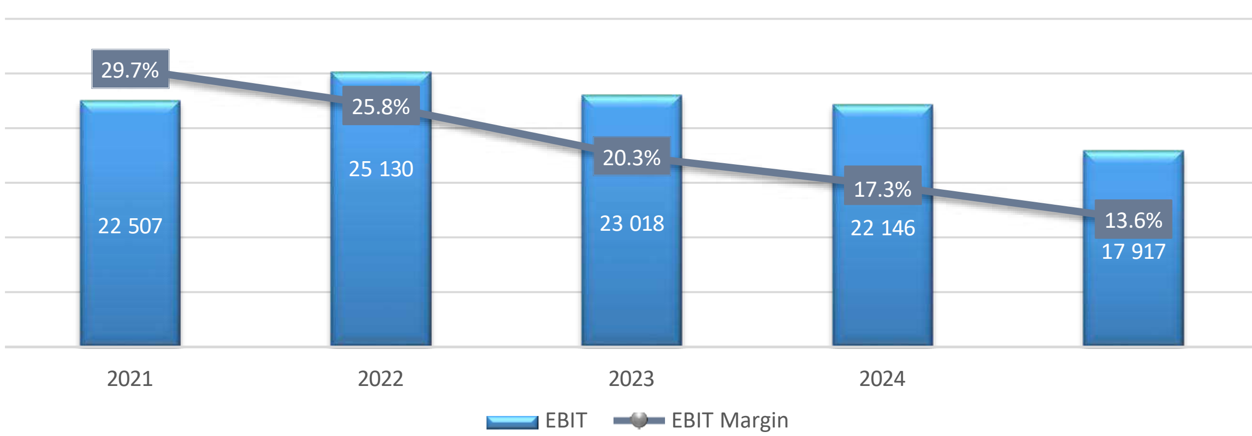
Other operating expenses consist of a government fee for maintaining an online gambling operator's licence amounting to BGN 26.5 million (2024: BGN 26 million), which is statutorily set at 20% of the difference between wagers placed and winnings paid out. This category also includes additional non-cash and material prizes for customers, which fell by 25.4% to BGN 706,000 as a result of the scaling back of an advertising campaign featuring exceptional additional prizes. A 7.4% decrease was also recorded in withholding tax expenses, positively influenced by a reduction in expenses payable to overseas suppliers.

The remainder of 'Other operating expenses' increased by 12.2% as a result of a one-off expense of BGN 0.54 million relating to write-downs and provisions for losses. As part of the effort to establish the Palmsbet brand as a socially responsible company, funding is provided for sporting and cultural events, which, together with associated costs, show a decrease compared with 2024.

Payroll costs rose by 32% to BGN 14 million (2024: BGN 10.6 million), due to both an increase in the number of employees and in staff remuneration. The increase in staff numbers is primarily linked to the launch of the live gaming studio.

Net financial income for the reporting period amounted to BGN -1.15 million (2024: BGN 0.4 million). The result was negatively impacted by an impairment loss of BGN 1.15 million on the equity interest in 77 BITS BSC DOO Bitola and BGN 0.12 million on Palmsbet Curacao B.V. (2024: BGN -0.35 million), as well as a decline in profit from financial instruments to BGN 0.16 million (2024: BGN 0.75 million). The revenue stems from liquidity management – the investment of surplus funds in money market instruments.

Operating profit and profitability



Financial performance and profitability

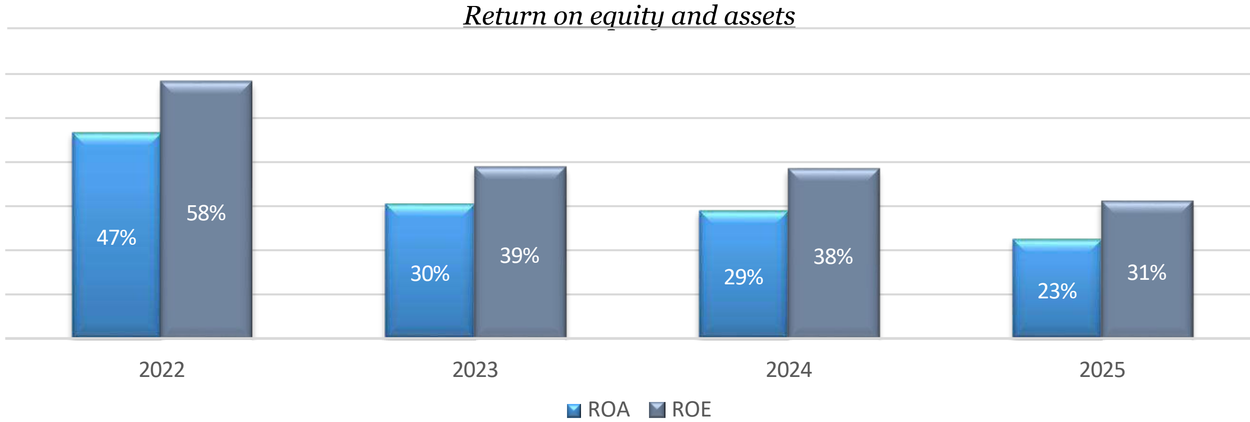
Operating profit (EBITDA) fell by 19,1% in 2025, reaching BGN 17,9 million (2024: BGN 22,1 million). The main factor behind the decline in profit is the increase in marketing and remuneration costs, partly offset by lower costs for payment fees, gaming content and consultancy services. This leads to a decline in the EBITDA margin to 13,6% (2024: 17,3%)

TIB's net profit fell by 26%, reaching BGN 15 million during the reporting period (2024: BGN 22,1 million). The larger decline in operating profit is due to an increase in the impairment of financial assets and a decrease in realised gains on financial instruments. The net profit margin fell from 15.8% in 2024 to 11.4% in 2025.

Net profit and profitability

The Company's return on equity and return on assets fell, but remained at high levels. In 2025, return on assets (ROA) remained stable at 23%, compared with 29% in 2024, whilst return on equity (ROE) fell from 38% in 2024 to 31% over the same period. This slight decline is a result of the fall in net profit, whilst the average value of assets and equity remains constant..

Return on equity and assets



ROA – Return on assets
ROE – Return on equity

I. Balance sheet position

Assets

As at 31 December 2025, cash and investments in money market instruments amounted to BGN 25.3 million, or 38% of total assets, which is attributable to the nature of the company's business.

The Company's non-current assets as at 31 December 2025 totalled BGN 33 million and had increased by BGN 10.77 million since the start of the year, with 90% of these being 'Investments in subsidiaries and associates'. BGN 6.67 million is attributable to the acquisition of Telematic Sport AD and Miland Games OOD, and BGN 3.8 million to the capital increase in the subsidiaries CT Interactive EOOD and TIB Consult SAC. The remaining non-current assets comprise the lease agreement and licence fees.

Liabilities

Current liabilities consist of trade payables, including BGN 4.6 million owed to related parties, tax and duty liabilities of BGN 3 million, and customer deposits of BGN 3.6 million. Trade payables include the Company's current liabilities to game providers, advertising service providers and others. Funds deposited by customers are used for online gaming and sports betting and are withdrawn at the customer's request. In December, the General Meeting of Shareholders resolved to distribute a dividend of BGN 3.2 million, which was paid out in January and which, as at 31 December 2025, is recognised as 'Dividend payable'.

Liabilities under contracts for the purchase of investments amounting to BGN 2.9 million reflect the portion of the acquisition of Telematic Sport AD and Miland Games OOD deferred over 12 months. The company has entered into long-term leases for premises, as a result of which liabilities under lease agreements amounting to BGN 467,000 have been recognised in accordance with the requirements of IFRS 16. The lease agreements are also recorded as right-of-use assets.

Liquidity and financial autonomy

Given the nature of its business, TIB does not invest in fixed assets other than the investments made in subsidiaries and joint ventures to finance expansion into new markets. High levels of profitability and the cash generated significantly exceed the investments made; consequently, the Company has not utilised debt financing to date. Liabilities as at the end of 2025 relate primarily to customer deposits and current liabilities arising from operating expenses.

Cash from realised revenue is received in advance and no receivables are generated; consequently, 75% of current assets consist of cash and money market instruments. For this reason, the Company reports high levels of liquidity, with liquid assets covering 1,8 times current liabilities.

	2022	2023	2024	2025
EBITDA Margin	26%	21%	18%	14%
EBIT Margin	26%	20%	17%	14%
Profit Margin	23%	19%	16%	11%
Return on Equity	58%	39%	38%	31%
Return on Assets	47%	30%	29%	23%
Liabilities / Assets	0.2	0.2	0.2	0.3
Current Liquidity	5.2	3.5	2.8	1.8
Asset Turnover	2.0	1.6	1.8	2.0

With the exception of that disclosed in Note 31 to the separate financial statements for 2025, there are no other significant events that have occurred after the statement of financial position date which would require an adjustment and/or additional disclosure in the financial statements for the year ended 31 December 2025 .

With the exception of the information disclosed, there are no known events or indicators of an unusual nature for the Company that have had a material impact on its operations during the period, or on the revenue it has generated and the expenses it has incurred.

J. Analysis and assessment of the policy on the management of financial resources, setting out the issuer's ability to service its liabilities, any potential risks and the measures the issuer has taken or intends to take to address them.

TIB's revenue is generated without deferred payment, and the very nature of the business does not require investment in working capital. The company makes minimal investments in tangible and intangible fixed assets. TIB has not utilised debt financing; its only interest-bearing liabilities consist of lease liabilities amounting to BGN 467,000 and a liability of BGN 2.9 million relating to the acquisition of investments.

During the reporting period, the company generated cash flow from operating activities amounting to BGN 17.2 million (2024: BGN 21.1 million). All profit generated during the year is available to finance future investment projects and the distribution of dividends. As at 31 December 2025, TIB reported BGN 20 million in cash and cash equivalents and BGN 5 million in investments in low-risk and highly liquid financial instruments.

K. Assessment of the feasibility of implementing the investment plans, specifying the amount of available funds and taking into account any possible changes to the financing structure for this activity

TIB does not plan to use debt financing for its operations. The Company considers the free cash flow generated and the cash and cash equivalents accumulated at the end of the reporting period to be entirely sufficient to fund its investment plans relating to projects both in Bulgaria and abroad.

L. Expected future development of the Company.

The online casino services market is expected to continue to grow at a positive rate. The investments made in the products offered by TIB and the improvements to the platform's technical capabilities are expected to have a positive impact on the company's development and to accelerate revenue growth during the year. TIB continues to expand its portfolio of games and services for customers.

The focus remains on the Peruvian market, which is linked to continued investment in operations in that market whilst maintaining the current pace. In 2026, operations in Peru are expected to have a significant impact on TIB's overall results. In Kenya, the strategy of gradually expanding its position in the local market will continue, with business development expected to be organic, without significant additional investment.

On 17 February 2026, Telematic Interactive Bulgaria AD entered into a share purchase agreement and acquired 51% of the share capital of 7MOJOS INTERACTIVE EOOD, Varna. The total price of the transaction is EUR 3,000,000, to be paid in three equal cash instalments by 30 September 2026, each amounting to EUR 1,000,000. The acquired Company holds exclusive intellectual property rights to the specialised online gambling software 7MOJOS – a high-performance modular gaming system, certified and approved for use in Bulgaria and in countries within the EU and the European Economic Area.

The B2B segment involves the provision of gaming content (slot games) to counterparties operating online casinos across multiple markets. The Company regards this segment as exceptionally promising and offering long-term growth potential due to the growing demand for online entertainment and the opportunity for global diversification through the conclusion of contracts in established markets, as well as in newly regulated markets, with licensed B2C operators from Europe, Latin and Central America, Africa and Asia. Through these acquisitions, the Company has significantly expanded its product portfolio in the B2B segment and, consequently, its growth potential in the following areas:

- Expansion in the B2B segment. Revenue growth through entry into new markets and the expansion of the product offering to existing customers. Vertical integration will have a positive effect – at present, the acquired games account for a significant share of the Company 's revenue, for which it pays a percentage of the revenue generated by these games.

- Development of the 'live casino' service. With the expansion of capacity and product range, the Company plans to enter new operators' markets.

The preparation for and entry into new markets will be funded from the Company 's own resources. No use of debt financing is envisaged.

M. Information on concluded material transactions

Apart from what is disclosed in this report, other significant transactions for the Company are as follows:

In 2024, new regulatory rules came into force in Peru, requiring operators active in the country to obtain the necessary licences for their operations, which was a key focus in this market throughout the year. Following the granting of these licences, the focus on expanding market positions intensified from the start of the year. This included a capital increase in several tranches for TIB Consult S.A.C., Peru, totalling BGN 3.4 million. Following the capital increase, Telematic Interactive Bulgaria AD's shareholding remains at 99.99% of the share capital. Palmsbet Curacao's activities were also linked to operations in Peru, which obtained a separate licence. Consequently, there was a temporary suspension of Palmsbet's active trading operations, leading to an impairment of the investment amounting to BGN 121,000. As at 31 December 2024, Palmsbet Curacao holds a valid gambling licence issued by the Curacao Gaming Commission, which enables it to be used for future business projects in Latin America.

In September 2025, TIB acquired 60% of the share capital of Telematic Sport AD and Miland Games OOD for EUR 3 million and BGN 800,000, respectively. The acquired companies develop gaming content and a sports betting platform. The acquisition expanded and enriched TIB's portfolio of proprietary products and its capacity to develop new products. In the final quarter of 2025, TIB provided additional funding to Telematic Sport AD in the form of a loan of EUR 219,826 to support the development of its product range.

The share capital of CT Interactive EOOD was increased by 1.6 million leva in connection with the development of a new product – live online games – and the financing of campaigns to promote gaming content. By a resolution of 24 June 2025 of the Board of Directors (BoD) of Telematic Interactive Bulgaria AD, on 7 July 2025, the share capital of the subsidiary CT Interactive EOOD was increased from BGN 600,000 to BGN 14,260,000.

TIB AD entered into a loan agreement with CT Interactive EOOD, under which it granted its subsidiary a loan of BGN 1,100,000. The term of the agreement is 31 May 2025, and the interest rate is fixed at 5% per annum. In February 2025, CT Interactive EOOD granted a loan RS Consult AD in the amount of 1,100,000 BGN, at an annual interest rate of 5% and with a contract term ending on 31 May 2025.

Investments in the development of operations in Kenya are continuing, aimed at supporting strong revenue growth, although the operations are not yet generating a profit. On 12 March 2025,TIB AD entered into a loan agreement with South Cape Investments Ltd, Kenya, for an amount of USD 300,000 and a term of 5 years. The loan will be drawn down in instalments.

On 27 March 2025 and 2 April 2025 TIB AD entered into an agreement with MBS TRADE AD for a total value of 5.2 BGN, valid until the end of the year, concerning advertising via an LED system on the pitch during football matches, as well as agency and advertising services. On 18 June 2025, an annex was signed, increasing the contract value by BGN 240,000.

On 28 February 2025, following the sale of 52,305 shares in Eldorado Corporation AD, the direct stake in TIB AD was reduced from 90.40% to 89.73%.

N. Information regarding transactions entered into between the issuer and related parties during the reporting period, proposals to enter into such transactions, as well as transactions that fall outside the issuer's ordinary course of business or deviate significantly from market conditions, to which the issuer or its subsidiary is a party, specifying the value of the transactions, the nature of the relationship and any information necessary to assess the impact on the issuer's financial position

No transactions have been entered into with related parties that fall outside the scope of normal business activities or deviate significantly from market conditions. The main transactions with related parties relate to supplies between subsidiaries.

No other transactions within the meaning of Article 240b of the Commercial Act have been entered into with members of the Board of Directors or their related parties that fall outside the ordinary course of business or deviate significantly from market conditions.

Information on transactions between related parties is presented in Note 28 to the consolidated annual financial statements.

O. Information on off-balance-sheet transactions – nature and business purpose, and a statement of the financial impact of the transactions on the issuer's operations, where the risks and benefits of such transactions are material to the issuer and where the disclosure of this information is material to the assessment of the issuer's financial position.

There are no off-balance-sheet transactions.

P. Information on the issuer's equity holdings, on investments in Bulgaria and abroad (financial instruments, intangible assets and property), as well as investments in equity securities outside the group and their financing.

By resolutions dated 31 January, 26 February and 28 August 2025, TIB increased the share capital of TIB Consult S.A.C., Peru, by BGN 1.71 million (of which BGN 1.1 million had been paid up) and by BGN 1.7 million respectively. Following the capital increase, the shareholding of Telematic Interactive Bulgaria AD remains at 99.99 % of the share capital.

In January 2025, the share capital of ST Interactive was increased by 1 million BGN. By a resolution of 24 June 2025 of the Board of Directors (BoD) of Telematic Interactive Bulgaria AD, on 7 July 2025, the share capital of the subsidiary CT Interactive EOOD was increased from BGN 600,000 to BGN 14,260,000. Following the capital increase, Telematic Interactive Bulgaria AD continues to hold a 100% stake in the company.

On 11 September 25, TIB acquired a 60% stake in Miland Games OOD, a company developing gaming content. The value of the transaction is 800,000 BGN. Payment is to be made in four equal instalments over the next year.

On 4 September 25, TIB acquired 60% of the share capital of Telematic Sport AD, a company developing gaming content and a sports betting platform. The value of the transaction is EUR 3 million. Payment is to be made in four equal instalments over the next year.

TIB has no branches and, as at 31 December 2025, holds no shares in other companies or other financial instruments apart from those listed above.

Q. Information on loan agreements received and granted by the issuer, its subsidiary or parent Company in their capacity as borrowers, guarantees provided and commitments undertaken.

As at 31 December 2025, it had granted the following loans (including interest).

Name	Amount, BGN'000	Interest %	Maturity	Purpose
Ct Interactive EOOD	1,586	5%	2026	Investment
South Cape Investments Ltd Kenya	1,217	3-6%	2027, 2028 и 2030	Development of online bets
77 Bits BSC DOO	160	10%	Mar-28	Working capital
MIland Games EOOD	113	5%	Dec-28	Working capital
Telematic Sport AD	284	5-5.5%	2028	Investment
7MOJOS EOOD	118	3.50%	Jun-26	Working capital

The loans granted are unsecured.

As at 31 December 2025, there were no loans received. No other financial instruments have been used, including for hedging purposes. The Company has not provided any guarantees in favour of third parties and/or related parties. As at 31 December 2025, CT Interactive EOOD had granted the following loans (including interest).

Name	Amount, BGN'000	Interest %	Maturity	Purpose
RS Consult AD	1 244	5%	2026	Working capital

R. Use of the proceeds from a new share issue

There has been no new share issue in the period.

S. Analysis of the financial results achieved and the published forecasts

TIB has not published forecasts.

T. Changes to the key governance principles of the issuer and its group of companies.

There have been no changes in the reporting period.

U. Transactions in treasury shares

By a resolution of the General Meeting of Shareholders dated 11 March 2024, a share buyback programme was approved.

Name	Number of shares	% of equity	Amount, BGN'000
Treasury shares as at 1 January 2025	33,861	0.26%	598
Repurchased during the period	134,536	1.04%	2 938
Transferred during the period	7,283	0.06%	160
Treasury shares as at 31 December 2025	161,114	1.24%	

TIB has transferred treasury shares as follows: (a) 2,800 shares under an employee share incentive scheme; and (b) 4,483 shares under investment acquisition agreements.

The treasury shares are recognised as a reduction in equity and carry no voting rights or dividend rights.

V. Information on matters related to environment and employees

Information is set out in the Corporate Governance Statement.

W. Research and development.

The Company does not carry out research and development activities.

X. Key features of the internal control and risk management systems in place.

Information is set out in the Corporate Governance Statement.

Y. Remuneration costs for members of the Board of Directors

Telematic Interactive Bulgaria AD is a public company which pays remuneration to the members of the Board of Directors in an amount determined by a resolution of the General Meeting of Shareholders and in accordance with the adopted Remuneration Policy and the approved Remuneration Payment Scheme for 2025.

Information on the remuneration paid is contained in the Report on the Implementation of the Remuneration Policy.

Z. Changes to the Board of Directors

On 12 June 2025, a decision was taken to remove Lachezar Tsvetkov Petrov as a member of the Board of Directors, and a new member, Angel Andonov Irobov, was elected.

AA. Shares in the Company held by members of the Board of Directors and senior management at the end of the period, and options granted to them.

Shares held and transactions carried out by members of the TIB Board of Directors in 2025:

	Acquired in the period	Sold in the period	Directly held shares	Indirectly held shares	Total directly and indirectly	Share of capital
Desislava Panova	0	0	600		600	0,004%

The members of the Board of Directors have not been granted any options or other rights to acquire shares in the Company.

The Company has not issued any bonds.

BB. Information regarding arrangements known to the Company which may, in the future, result in changes to the relative proportion of shares or bonds held by current shareholders or bondholders.

There are no such arrangements.

CC. Information on pending judicial, administrative or arbitration proceedings relating to liabilities or receivables amounting to more than 10% of equity.

There are no legal or arbitration proceedings pending or concluded in relation to the Company , where the amount in dispute is at least 10% of the Company ’s net assets.

DD. Information regarding securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another Member State.

The Company does not hold any securities that are not admitted to trading on a regulated market in the Republic of Bulgaria or another Member State.

EE. Information regarding the direct and indirect holding of 5% or more of the voting rights at the company's general meeting, including details of the shareholders, the size of their shareholdings and the manner in which the shares are held.

As at 31 December 2025, the persons holding 5% or more of the shares with voting rights are:

Shareholder	*Number of shares*	*Capital share*
Eldorado Corporation AD	*11 623 862*	*89,69%*

FF. Details of the Head of Investor Relations:

With effect from 20 March 2024, Kaloyan Ilianov Krastov was appointed, with address: Sofia, llinden district, 7 Kukush Street; phone: 0884672536; e-mail: ir@telematic.bg.

GG. Information on shareholders with special control rights and a description of those rights.

The Company has no shareholders with special rights.

HH. Shareholder agreements of which the Company is aware and which may result in restrictions on the transfer of shares or voting rights.

The Company has no information regarding any agreements between shareholders that might result in restrictions on the transfer of shares or voting rights.

II. Agreement between the Company and its governing bodies and employees regarding the payment of compensation in the event of resignation without legal grounds or the termination of the employment relationship for reasons relating to a public tender offer.

Telematic Interactive Bulgaria AD has no material contracts that take effect, are amended or are terminated as a result of a change in control of the Company following a mandatory public offer. Telematic Interactive Bulgaria AD has not been the subject of a public offer.

JJ. Material contracts of the Company which come into effect, are amended or are terminated as a result of a change in control of the Company following a mandatory public offer, and the consequences thereof.

TIB AD has not entered into any contracts linked to a change in control of the Company.

KK. Information regarding the Board of Directors' involvement in commercial companies in which it holds more than 25% of the share capital, as well as its involvement in the management of other companies.

As at 31 December 2025, the holdings of the members of the Board of Directors in commercial companies are as follows:

Name	Legal entity	UIC	Involvement
Angel Iribozov	E3 RENT EOOD	205732508	General Manager
Angel Iribozov	Trainamix Business Solutions OOD	203249382	General Manager
Angel Iribozov	BG Expo EOOD	121425308	Executive Director
Angel Iribozov	International Leisure Projects EOOD	175441675	General Manager
Angel Iribozov	Palms Mercure Casino AD	201710165	General Manager
Angel Iribozov	International Game Design Studio AD	175192081	Executive Director
Angel Iribozov	Star of Sofia Association	131043680	Executive Director
Angel Iribozov	AIIB Association	131219840	Chair of the Management Board
Angel Iribozov	R.S. Consult AD	175228093	Chair of the Management Board
Desislava Panova	Casino Technology Georgia LLC	121340854	Member of the Board of Directors
Desislava Panova	VG Investment GmbH	404527614	General Manager
Desislava Panova	Reguligence EOOD	FN 258530t	General Manager
Emil Georgiev	Justice for All Association	200835333	General Manager
Emil Georgiev	E3 RENT EOOD	177175554	Member of the Management Board
Emil Georgiev	Union of free lawyers Asociation		Member of the Management Board and legal representative

2. Main risks faced by the Company

Gambling is a sensitive social and political issue, which inevitably leads to more frequent changes to regulations, the introduction of stricter controls, additional taxes and levies, new technical requirements and restrictions. Despite the complex and sensitive nature of the industry, the trend is towards a stable and well-controlled regulatory framework, with an increasing number of countries adopting or refining their regulations. Accordingly, Telematic Interactive Bulgaria AD operates within a complex regulatory environment affecting its business, which is constantly evolving, often towards stricter requirements, whilst in rare cases countries have even banned gambling activities entirely. An additional risk is that online gambling is a relatively new sector globally, having only recently begun to develop; consequently, the legislation is incomplete and lacks sufficient established precedents, which poses a risk that the enforcement of regulations may be unclear and inconsistent. In Bulgaria, the regulatory framework is well developed; online gambling has been regulated since 2013, experience has been gained in its implementation, and regulatory risk is low. In the future, with the entry into new markets, this risk may be significantly higher for some countries, but operating in more markets reduces this risk, as the likelihood of adverse regulatory changes occurring in several markets simultaneously is low.

Another step towards reducing regulatory risk is the move into the B2B segment, where this risk is limited given the operation across a very large number of markets, and where the risk is borne by the relevant operator rather than the games provider.

In addition to being a licensed activity, and the associated additional requirements, the Company is also subject to other regulations relating to data protection, anti-money laundering/counter-terrorist financing measures and anti-corruption. The implementation of and compliance with these regulations require significant human and financial resources, and compliance with them is of key importance to the Company 's operations.

Revocation of a licence to carry out business activities

The main risk is the revocation of the licence, which would result in the cessation of operations in the relevant jurisdiction (as at the date of the prospectus – Bulgaria only). The regulator has the power to revoke the licence in the event of non-payment of taxes, breaches of regulatory requirements, serious breaches of legal requirements, etc. Telematic Interactive Bulgaria AD has implemented an internal control system which ensures compliance with legal requirements and minimises this risk.

Failure to comply with technical requirements

The regulatory authority in Bulgaria, namely the National Revenue Agency (NRA), requires real-time data exchange to be ensured. Failure to comply with this requirement constitutes grounds for the revocation of the operating licence. Telematic Interactive Bulgaria AD has implemented the necessary systems to ensure an uninterrupted connection, as well as timely alerts in the event of problems and procedures for a prompt response.

Taxation and fees

The taxes paid by companies in Bulgaria include corporate tax, local taxes and duties, value added tax, withholding tax and licence fees. Maintaining the current tax regime is important for the Company 's financial results. At present, the corporate tax rate in Bulgaria is 10%. In addition to the tax regulations relating to ordinary commercial activities, Telematic Interactive Bulgaria AD is also subject to specific requirements, such as a monthly licence fee amounting to 20% of the difference between the value of bets received and winnings paid out. Taxes and fees set by the state account for a significant proportion of the company's expenses; consequently, any tightening of these regulations would have a material effect on the company's financial results. Proposals regarding taxation are periodically the subject of political and public debate, but at present there are no clearly stated intentions on the part of the relevant state authorities to introduce changes in this regard. The tax system in the countries where the expansion of operations is planned is still evolving; as a result, there is a risk that inconsistent tax practices may arise and that new taxes and government levies may be introduced or existing ones increased.

Personal data protection

The General Data Protection Regulation came into force in 2018 and is binding on all organisations that collect and process personal data. Telematic Interactive Bulgaria AD is required to identify all its customers and store their data. Handling clients' funds and collecting personal data requires exceptionally high standards of information security and database protection. The Company has implemented measures to effectively protect the personal data it processes and to enable data subjects to exercise their rights as provided for in the General Data Protection Regulation, having adopted Internal Rules on the Protection of Personal Data. Procedures are in place governing the methods of communication in the event of a complaint, data portability, transparency in the processing of personal data, the management of data subjects' requests, the obtaining of consent, notifying data breaches, storing and destroying documents, as well as a number of other technical measures to ensure the security of personal data.

Frequent or significant changes in the regulatory environment increase compliance costs and may affect revenue and profits. The regulations also carry heavy penalties for non-compliance and, in certain cases, may result in the revocation of the operating licence. Telematic Interactive Bulgaria AD has established a team responsible for drafting and updating rules and policies to ensure compliance with regulatory requirements. A key priority for management is their implementation and enforcement, with every employee undergoing training on the relevant procedures.

Although compliance with regulatory requirements involves significant costs, it has a substantial positive effect for the issuer. Strict regulations enhance public and customer confidence in the business and limit unfair competition from companies applying low standards of customer protection and care.

Measures against money laundering

Regulations relating to the prevention of money laundering and terrorist financing have been a key focus of policy at European level in recent years and are evolving rapidly. Gambling has been identified as a high-risk sector and is therefore subject to strict monitoring and regulation. Operators are obliged to identify every customer and to monitor and report potentially risky transactions. Failure to identify and address such cases could expose the Company to a significant risk of sanctions and damage its reputation. A positive factor is that, as an online operator, transactions are carried out electronically and predominantly involve small amounts.

Tightening of advertising restrictions

The advertising of gambling in the mass media is subject to regulations and restrictions. The tightening of these restrictions will limit the ability of Telematic Interactive Bulgaria AD to position itself and attract new customers through these channels. To minimise this risk, Telematic Interactive Bulgaria AD is developing alternative methods for positioning itself and attracting customers. On the other hand, the restrictions on advertising and the capacity established by the regulators – the Council for Electronic Media and the National Revenue Agency – to monitor advertising content prevent unlicensed operators from promoting themselves, thereby curbing unfair competition. The restrictions on gambling advertising that came into force in 2024 did not have a negative impact on the Company 's operations; in some respects, they had a positive effect.

Political risk

This is the risk arising from political processes within the country – the risk of political destabilisation, changes in government, legislation, economic policy and the tax system. Political risk is directly linked to the likelihood of adverse changes in government policy; consequently, there is a risk of adverse changes to the business climate.

The maintenance of sound fiscal discipline and a moderate deficit helps to minimise political risk overall, and the absence of any stated intentions by political parties to make significant adverse changes to the regulations governing the Company 's operations suggests a low level of risk at present. However, the current political situation does not allow for a predictable majority to emerge and, consequently, a clear forecast of future policies; therefore, significant changes are possible. The associated negative consequences could take the form of delays to reforms due to differences and disagreements amongst political forces regarding important social and economic measures, as well as a further increase in public discontent. The potential negative effects of this are typically associated with a deterioration in the economic environment and the outlook for companies operating in the country.

The planned expansion into new markets will, on the one hand, diversify the company's positioning, given the low probability of negative events occurring simultaneously in several jurisdictions; on the other hand, it will expose Telematic Interactive Bulgaria AD to the risk posed by the policies implemented in the respective countries.

Macroeconomic risk

The customers of Telematic Interactive Bulgaria AD come from all regions of the country and from all economic and social groups within the population. Consequently, the Company 's operations are heavily dependent on overall economic growth, the general state of the business environment and, in particular, consumer confidence and, consequently, final consumption. Any decline in income levels and employment rates would lead to a negative trend in revenue and profits. The Company plans to diversify this risk by expanding its operations into other countries. The current overall macroeconomic situation, with high levels of employment in developed countries and rapid income growth, particularly in Bulgaria, offers positive prospects for the Company 's development. At the same time, the accumulated imbalances in terms of debt and money supply, together with the tense political situation, present significant risks and uncertainties regarding economic development.

Inflation risk

Price risk is linked to the overall level of inflation in the country and the level of competition. The risk of rising inflation leads to a decline in the value of investments made or the value of savings over time. Given the country's commitments and desire to join the European Monetary Union (EMU), and the associated inflation requirements, measures can be expected from the Bulgarian National Bank (BNB) and the government to keep inflation within the specified limits (the Maastricht criteria for EMU membership).

In recent years, inflation has been contained and continues to fall. The nature of the business, with almost entirely current payments, exposes Telematic Interactive Bulgaria AD to minimal inflation risk. A negative effect would be if current levels were to persist for an extended period, which would limit households' disposable income. A significant mitigating factor for this risk is the link between costs and revenue – over three-quarters of operating costs are revenue-linked and are therefore unaffected by changes in price levels. A significant impact on costs is observed in the form of rising wages, which is also due to the tight labour market.

Currency risk

Currency risk relates to the Company's income and expenses denominated in different currencies. At present, the issuer's revenue and expenses are in Bulgarian leva, but as expansion plans are implemented, the proportion of revenue and expenses in currencies other than the Bulgarian leva is expected to increase, which would expose the group companies to currency risk. This risk is mitigated by the fact that expenses are denominated in local currency and calculated as a percentage of revenue; in other words, the risk relates primarily to the euro equivalent of revenue, but this has a very limited impact on the profit margin. Furthermore, cash is held in euros and is therefore not exposed to currency risk.

The expansion of operations into new markets will significantly increase transactions in currencies other than the euro. In the future, changes in exchange rates could give rise to a certain degree of currency risk and may affect the Company 's results.

Increased intensity of competition

The widespread adoption of digital services and the expansion of the market are attracting the interest of a broader range of new customers. Following the sector's rapid development between 2020 and 2022, when a large number of new operators entered the market, there are no significant changes to the competitive landscape in 2025. So far, this has not affected the dynamics of the business, and Telematic Interactive Bulgaria AD is maintaining its growth rate, but it may have a significant impact in the future. Marketing costs in the sector typically account for the largest share of the cost structure and are key to attracting and retaining customers. As new competitors enter the market, the relative share of these costs is expected to increase, which could affect the profitability of the Company 's companies.

Credit risk / counterparty default risk

This is the risk that counterparties of the Company's may fail to meet their financial obligations. Due to the specific nature of the business, customers deposit funds into their accounts in advance, and Telematic Interactive Bulgaria AD has minimal receivables from customers. Credit risk is primarily associated with the holding of significant amounts of the company's own and customers' funds in financial institutions. To minimise this risk, Telematic Interactive Bulgaria AD works exclusively with payment operators and banks with an established presence and proven reputation, whilst free cash is invested solely in financial instruments with the highest credit ratings. Systems have been established for the exchange of information in real time or via systems that guarantee execution. At CT Interactive EOOD, the payment obligation arises in the month following the realisation of revenue and carries a risk of non-payment in the event of the client experiencing financial difficulties. The ability to restrict access to the games provided in the event of non-payment limits potential losses.

Dominant market position of suppliers

In certain sectors and markets, there are suppliers – such as content providers and payment operators – who have significant market power and are able to set prices above market levels. A unilateral price increase by such suppliers could have a negative impact on profits.

Unfair competition

There are also a significant number of illegal operators active in the market, operating without a licence, failing to pay the taxes and fees due, and without the required licensing for gaming content. Given the high taxes and administrative requirements, this gives them an advantage over legal operators, such as higher promotions and discounts for customers.

Game glitch

As a provider of gaming content, the subsidiary CT Interactive EOOD bears financial liability if, as a result of errors in the games provided, the operator or distributor of gambling games has incurred losses (for example, the game paid out abnormal winnings). Each game is subject to thorough verification and testing, including by internationally recognised independent laboratories, and therefore the likelihood of this risk is minimised. Typically, the compensation payable is limited to the revenue received by CT Interactive EOOD from the counterparty over a specific period or to a fixed maximum amount. In future, it is envisaged that this risk will be further mitigated by taking out insurance.

Copyright

This risk does not directly apply to Telematic Interactive Bulgaria AD, but is specific to its subsidiary CT Interactive EOOD. The games distributed include audio and visual content, graphic elements, trademarks and other material that may be subject to copyright. The use of such protected material without the necessary authorisations may result in financial claims from the affected party. This risk is low, insofar as the use of copyright-protected material is limited and complies with legal requirements.

Liquidity risk

Liquidity risk is the risk that companies within the group may be unable to meet their current liabilities. Telematic Interactive Bulgaria AD maintains high levels of liquidity, with its assets consisting almost entirely of cash. Liabilities consist mainly of customer deposits and trade payables to suppliers. The cash held exceeds the amount of current liabilities, which exposes Telematic Interactive Bulgaria AD to minimal liquidity risk.

IT security and cyberattacks

Risk of unauthorised access, interruption, modification, unauthorised use or destruction of databases, network overload, service disruption and other risks. Such attacks may have a negative impact on the company’s reputation and lead to a loss of customers and financial damage. For this reason, Telematic Interactive Bulgaria AD has taken preventative measures by implementing strict policies and maintaining the highest standards in the field of security. Telematic Interactive Bulgaria AD is certified (through its subsidiary CT Interactive EOOD) to ISO 27001:2013, issued by TÜV Rheinland – a standard for information security in the trading, creation and distribution of online products, including the management of the security of financial, accounting, manufacturing, commercial and personal data during the development and distribution of online products. Professional and technical capacity is maintained to continuously monitor and respond to attempts to compromise the online infrastructure.

Loss of key management or technical staff

The departure of key staff could have an adverse effect on future development. The Company has its own platform (the rights to which are held by its subsidiary, CT Interactive EOOD), on which all operational activities are based. On the one hand, this ensures control over a key asset and a high degree of flexibility, but the departure of key personnel or a subcontractor involved in the maintenance and development of the platform could lead to a deterioration in product quality and/or a delay in its development, which would have a significant negative impact on the business. The Company endeavours to mitigate this risk by attracting and motivating staff through policies and practices that provide opportunities for their continuous training and development, as well as performance-related remuneration.

Risk related to payment processing

Telematic Interactive Bulgaria AD works with a large number of banks and payment service providers and receives and pays out significant sums to customers. The procedures for settling payments with customers, as agreed with payment service providers, are a key factor in customer satisfaction. Failure to execute an order due to financial or technical issues would have a negative impact on the Company ’s reputation and could lead to a loss of customer confidence and financial losses. Telematic Interactive Bulgaria AD minimises this risk by working exclusively with established operators, conducting thorough due diligence, and offering various payment methods from licensed payment operators to ensure efficient and secure payment services. The Company follows established procedures for customer verification and authentication, in line with best practices and verification standards.

Business continuity and recovery in the event of a crisis

This refers to the risk posed by internal and external events that could lead to a disruption of operations. Telematic Interactive Bulgaria AD has developed and implemented infrastructure, systems, processes and policies with the aim of minimising this risk and ensuring business continuity. Additional capacity is maintained, and key system components are duplicated, through the use of cloud services from established providers to ensure data storage and rapid recovery of operations should such events occur.

Risk of gambling fraud

This risk is primarily in the sports betting segment, where there could be instances of fraud and manipulation, for example in relation to sports results. Telematic Interactive Bulgaria AD has a strict risk management system in place, which monitors for unusual activity and enables a preventative response. Slot games, which account for the bulk of revenue, do not allow for the manipulation of bets or winnings, and the risk of fraud in casino games is negligible. A risk management system is also in place in this segment, which monitors and limits the potential negative impact of fraud. The risk of fraud on a scale that could have a material adverse effect on financial results is limited.

Risks associated with gambling addiction

Gambling can lead to addiction for some customers. Telematic Interactive Bulgaria AD has introduced a system that strictly adheres to the adopted rules on responsible gaming, informs customers and enables them to limit their gambling. The materialisation of this risk could affect the reputation of Telematic Interactive Bulgaria AD, whilst a breach of the accepted rules on responsible gaming could also lead to sanctions from the regulator. The Company pursues an active policy of positioning itself as a venue for entertainment and responsible gaming, and makes every effort to assist and support customers at risk.

Conflicts

Geopolitical instability and the outbreak of armed and/or political conflicts in the region and internationally may have an adverse effect on the Company 's operations. Such events could lead to disruptions and delays in communication and payment channels, restrictions or bans on transport along certain routes, difficulties in crossing borders, and changes to customs and regulatory regimes, which would affect both international deliveries and the reliability and timeliness of the service.

Overall, given the markets in which the Company operates, this risk is assessed as low in relation to the Company 's overall operations and could arise primarily from indirect factors. Military and other conflicts could lead to economic instability in Europe or in any of the countries in which it operates. A sustained rise in raw material prices would result in a decline in economic activity, rising unemployment and inflation. Accelerating inflation could lead to a loss of real purchasing power and limit the potential for generating revenue, or result in higher costs. Conflict could also lead to political tension in the region, making it difficult for Bulgarian online casino and sports betting operators to establish partnerships with companies in the region or to expand their business in this part of the world.

At present, Telematic Interactive Bulgaria does not operate in any conflict zones. The Company had a registered subsidiary in Ukraine, which was wound up in 2024. Given the complex situation and the increased risks, the Company 's management does not envisage any immediate action to launch business operations in Ukraine.

Risk related to climate changes

Climate change may have an adverse impact on the Company's operations in two ways: directly and indirectly. Direct risks are associated with natural disasters caused by climate change, which could endanger the health and lives of the Company's customers, as well as damage critical infrastructure related to its operations. The materialisation of climate change risks could result in additional costs to address the issues described in this section. The indirect effects of climate change may include sharp fluctuations in the prices of energy and food commodities, which could lead to a decline in the population's purchasing power and reduce demand for services such as online casinos and sports betting. Climate change may lead to changes in the regulatory environment requiring the Company to reduce its carbon footprint, which could increase operating costs or result in a loss of business if the Company is unable to meet the new requirements. Telematic Interactive Bulgaria assesses the impact of climate change on the Company's operations as low in the short term, but the long-term impact remains unknown.

Risk associated with changes in interest rates

In 2025, inflation remains above target levels. The European Central Bank (ECB) has cut the base rate by 0.25%. A rise in interest rates could affect the Company's operations through several channels:

1. Increase in borrowing costs. When central banks raise interest rates, banks usually raise their lending rates, which can lead to higher borrowing costs for companies. If the Company relies on borrowing to finance its operations, higher borrowing costs could result in lower profits and a reduction in investment. As at 31 December 2025, the Company has no debt obligations and is not exposed to the risk of an increase in borrowing costs.
2. Reduced ability to raise finance. If the Company requires new loans to finance its growth, higher interest rates may constrain it in this regard. If the company's investors believe that higher borrowing costs will reduce profits or limit its ability to repay its loans, they may be less inclined to invest. The Company generates significant cash flow from its operations and, as at the reporting date, has sufficient liquid funds to finance its operations and future investment plans.
3. The risk of changes in interest rates may have an indirect impact on the Company's revenue, as higher interest rates mean more expensive loans for consumers, which may reduce disposable income.
4. The Company holds fixed-income financial instruments with a carrying amount of BGN 5 million as at 31 December 2025. These financial instruments consist of an investment in a money market fund. The financial instruments are measured at fair value through profit or loss in the income statement. As changes in interest rates have a direct impact on their value, they also affect the final financial result. The relationship between interest rates and the price of fixed-income instruments is inversely proportional – when interest rates rise, the prices of fixed-income instruments, all other things being equal, fall. The fall in interest rates at the end of 2024 and throughout 2025 had a negative effect on investment income.

Management responsibilities

The management of Telematic Interactive Bulgaria AD has prepared the financial statements for 2025, which give a true and fair view of the Company's financial position at the end of the year and its financial performance. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Management confirms that it has consistently applied appropriate accounting policies and that, in preparing the financial statements as at 31 December 2025, the principle of prudence has been observed in the valuation of assets, liabilities, income and expenses.

Management also confirms that it has complied with the applicable accounting standards, and that the financial statements have been prepared on a going concern basis.

Management is responsible for the accurate maintenance of the accounting records, the sound management of assets and for taking the necessary measures to prevent and detect any fraud or other irregularities.

ANGEL ANDONOV IRIBOZOV

Digitally signed by ANGEL ANDONOV IRIBOZOV
Date: 2026.03.31 10:43:05 +03'00'

Angel Iribozov,
Executive Director

CORPORATE GOVERNANCE STATEMENT

I. Corporate governance code in force

TIB AD is a public company within the meaning of the Public Offering of Securities Act (POSA) and complies with the National Corporate Governance Code, adopted by the National Corporate Governance Commission and approved as the corporate governance code pursuant to Article 100n(7)(1) in conjunction with paragraph 8(1) of the Public Offering of Securities Act (POSA).

In 2022, TIB AD listed its shares for trading on the Bulgarian Stock Exchange – Sofia. The company undertook to comply with the National Corporate Governance Code in 2022. The National Corporate Governance Code was adopted in 2007 and amended by the National Corporate Governance Commission in 2024.

This statement presents information on the implementation of the Code's recommendations in the corporate governance of TIB AD.

The actions of the management and staff of TIB AD are aimed at upholding the principles of good corporate governance, enhancing the confidence of shareholders, investors and stakeholders in the management and operations of TIB AD, and promoting successful business activities.

TIB AD has a single-tier management structure and is managed by a Board of Directors.

II. Report on Compliance with the Corporate Governance Code

In 2025, the activities of the Board of Directors of TIB AD were carried out in full compliance with the regulatory requirements set out in the Public Offering of Securities Act and its implementing regulations, the company's Articles of Association, and the National Corporate Governance Code.

The corporate management of TIB AD considers that, for the most part, it complies with the recommendations and the spirit of the National Corporate Governance Code.

The Code is applied on a 'comply or explain' basis. This means that the company complies with the Code, and in the event of any deviation, its management must explain the reasons for this.

BOARD OF DIRECTORS

Functions and obligations

The Board of Directors independently and responsibly directs and supervises the company's activities in accordance with its established objectives, strategies and the interests of shareholders and stakeholders. These objectives and strategies shall be adopted in line with the company's economic, social and environmental priorities.

The Board of Directors of TIB AD monitors the Company's performance on a monthly, quarterly and annual basis and, where necessary, initiates changes to the management of the business.

The annual and interim reports are prepared with the involvement and under the strict supervision of senior management.

The Board of Directors of TIB AD treats all shareholders equally, acts in their best interests and with the due care and diligence.

The members of the Board of Directors are guided in their work by the generally accepted principles of integrity, loyalty, and managerial and professional competence. Members of the Board of Directors have developed expertise regarding the impact of climate change on the company’s development, thereby reinforcing the company’s priorities in the areas of sustainability and climate change. Acquiring and building on this knowledge is an ongoing commitment. The Board of Directors adopts and complies with a Code of Ethics and relevant internal regulations relating to sustainable development, and has built up internal capacity to develop and implement sustainable policies.

The Board of Directors ensures and oversees the establishment and operation of a risk management system, including risks related to cyber security, climate risks and value chain risks. Under the supervision of the Board of Directors, the risk management and internal audit system of TIB AD has been established and is operational.

The Board of Directors encourages the implementation of, and monitors compliance by subsidiaries with, the adopted principles of sustainable development at Company level, where applicable. It contributes to fostering a culture of sustainable development.

The Board of Directors ensures and monitors the integrated functioning of the accounting and financial reporting systems and the internal control system.

The Board of Directors provides guidance, approves and monitors the implementation of strategies, the company’s business plan, transactions of a material nature, and other activities set out in its governing documents.

The Board of Directors reports on its activities to the General Meeting of Shareholders, including by presenting a report on the implementation of the adopted remuneration policy.

Election and dismissal of Board members

The General Meeting of Shareholders elects and dismisses the members of the Board of Directors of TIB AD, in accordance with the law and the Company’s constitutional documents, as well as in accordance with the principles of continuity and sustainability in the work of the Board of Directors. At least one third of the members of the Board of Directors must be independent persons.

When proposing the election of new members of the Board of Directors, the principles ensuring that the candidates’ competence is commensurate with the nature of the company’s business are observed.

The management contracts concluded with members of the Board of Directors shall specify their duties and responsibilities, the criteria for determining the amount of their remuneration, their obligations of loyalty to the company, and the grounds for dismissal in accordance with the Statutes of TIB AD.

The performance of the members of the Board of Directors is subject to periodic assessment.

Structure and competence

The Board of Directors consists of three individuals. The structure of the Board of Directors complies with the requirements of Article 116a(2) of the Public Offering of Securities Act and the Company’s Statutes.

The composition of the Board of Directors, as elected by the General Meeting, is structured in such a way as to ensure the professionalism, impartiality and independence of its decisions regarding the management of the company.

The Board of Directors ensures a proper division of tasks and responsibilities amongst its members. The primary function of the independent members is to oversee the actions of the executive management and to participate effectively in the company’s operations in accordance with the interests and rights of the shareholders. The independent members ensure impartiality and independence in the decision-making of the collective body. The Chair of the Board of Directors in 2025 is not an independent member.

The powers, rights and duties of the members of the Board of Directors comply with the requirements of the law, the governing documents and the standards of good professional and managerial practice.

Members of the Board of Directors possess the appropriate knowledge and experience required for the positions they hold. Members of the Board of Directors are kept informed of new trends in the field of corporate governance and sustainable development. Following their election, new members of the Board of Directors familiarise themselves with the key legal and financial issues relating to the company's operations. The professional development of Board members is an ongoing commitment on their part.

Board members are allocated the necessary time to carry out their tasks and duties. The company's governing documents do not limit the number of companies in which Board members may hold management positions.

The election of members of the company's Board of Directors takes place through a transparent procedure which, amongst other things, ensures the timely provision of sufficient information regarding the personal and professional qualities of the candidates for membership. The number of consecutive terms of office for members of the Board of Directors ensures the effective operation of the company and compliance with legal requirements. No restrictions have been imposed on the number of consecutive terms of office for independent members.

The procedure for selecting candidates for membership of the Board of Directors is based on a comparative assessment of each candidate's qualifications and includes clear and objective criteria, which are applied in a non-discriminatory manner throughout the entire selection process. There are no fixed targets for achieving a balanced representation of both genders on the Board of Directors, nor are there any measures to achieve gender balance.

Consideration

The amount and structure of the remuneration of the members of the Board of Directors are governed by the Articles of Association of TIB AD, adopted by the Company's General Meeting, the Remuneration Policy, and the management contracts. They comply with the regulatory requirements regarding structure and content.

In accordance with legal requirements and good corporate governance practice, the amount and structure of remuneration take into account:

· The responsibilities and contribution of each member of the Board of Directors to the Company's operations and results, including sustainability indicators;

· The ability to recruit and retain qualified and loyal members of the Board of Directors;

· The need to align the interests of the members of the Board of Directors with the long-term interests of the company and its sustainable development.

· The remuneration of the executive member of the Board of Directors consists of a fixed and a variable component.

The structure and nature of the variable remuneration are specifically defined or determinable and are linked to clear and specific criteria and indicators relating to the company's performance and the achievement of objectives predetermined by the Board of Directors. The remuneration policy links variable remuneration and business performance to pre-defined performance-related criteria and includes measurable standards that prioritise the long-term interests of the company and its shareholders over short-term considerations. Such measurable standards relate to total shareholder return and appropriate targets and indicators, including those for sustainability.

The company has not granted shares, share options or other appropriate financial instruments as variable remuneration, including to non-executive directors. A scheme for the payment of variable remuneration in shares to members of the Board of Directors was approved at the Annual General Meeting in December 2024 and has been in force since 2025.

The Company's General Meeting of Shareholders may vote to grant members of the Board of Directors additional remuneration in the form of performance-related bonuses, depending on the Company's financial results.

The Remuneration Policy provides for the payment of additional variable remuneration based on financial and non-financial criteria approved by the General Meeting of Shareholders.
Disclosure of information regarding the remuneration of members of the Board of Directors of TIB AD is presented in the Company's annual individual report and in the Report on the Implementation of the Remuneration Policy (at individual level), in accordance with statutory requirements and the Company's governing documents. Shareholders have easy access to information on remuneration. The Company publishes its annual report on the X3News and e-Register online portals, and on its website.

Conflict of interests

Members of the Board of Directors shall avoid and prevent any actual or potential conflict of interest.

The procedures for avoiding and disclosing conflicts of interest are set out in the company's constitutional documents, the adopted internal rules and the applicable legislation.

Members of the Board of Directors shall immediately disclose any conflicts of interest and ensure that shareholders have access to information regarding transactions between the Company and members of the Board of Directors or their related parties, by submitting an up-to-date declaration in accordance with Article 114b of the Public Offering of Securities Act.
Any conflict of interest within the Company shall be disclosed to the Board of Directors.
TIB AD recognises and adheres to the practice that a potential conflict of interest exists where the Company intends to enter into a transaction with a legal entity in which:

- a member of the Board of Directors or persons related to them have a financial interest; or
- a member of the Board of Directors is a member of the Management Board, Supervisory Board or Board of Directors of the counterparty to the transaction.

Committees

The Audit Committee of TIB AD operates in accordance with a resolution of the General Meeting of Shareholders. The company's Audit Committee comprises 3 (three) members, elected by the General Meeting of Shareholders.

In accordance with the requirements of the applicable legislation and on the basis of the criteria set out therein, the Board of Directors proposes to the General Meeting of Shareholders that the Audit Committee be elected in a composition that meets the legal requirements and the specific needs of the company.

Committees are established on the basis of a written definition of their structure, scope of responsibilities, mode of operation and reporting procedures.

Audit and internal control

The Board of Directors is assisted by an Audit Committee. The Audit Committee submits a written justification to the General Meeting for its proposal regarding the appointment of an auditor, guided by the established requirements for professionalism.

The Board of Directors ensures compliance with applicable law regarding the independent financial audit. A rotation principle is applied to the nomination and appointment of the external auditor.

The Audit Committee oversees internal audit activities and monitors the overall relationship with the external auditor, including the approval of non-audit services provided by the auditor to the company. The company has established and operates an internal control system designed, amongst other things, to identify the risks associated with the company's operations and to support their effective management. It also ensures the effective functioning of the accounting and disclosure systems. A description of the key features of the internal control and risk management systems is set out in this corporate governance statement.

Shareholders' rights protection

The Board of Directors ensures the equal treatment of all shareholders, including minority and foreign shareholders, and is obliged to protect their rights and to facilitate the exercise of those rights within the limits permitted by applicable legislation and in accordance with the provisions of the company's constitutional documents. Company management ensures that all shareholders are kept informed of their rights, the company's financial results and corporate events through the disclosure system and the company's website.

General meeting of shareholders

All shareholders are informed of the rules governing the convening and conduct of general meetings of shareholders, including the voting procedures. The Board of Directors provides sufficient and timely information regarding the date and venue of the general meeting, as well as full details of the matters to be considered and decided at the meeting.

TIB AD shall maintain a database of contact details for its shareholders holding 5% or more of the company's share capital, enabling direct communications to be sent to them or to a person designated by them.

During the general meeting, the company's management shall ensure that all shareholders have the right to express their views and to ask questions.

Shareholders with voting rights may exercise their voting rights at the company's General Meeting either in person or through representatives.

The Board of Directors exercises effective control by establishing the necessary arrangements for authorised persons to vote in accordance with shareholders' instructions or in the manner permitted by law.

The Board of Directors draws up rules for the organisation and conduct of the company's ordinary and extraordinary General Meetings of Shareholders, which guarantee equal treatment of all shareholders and the right of each shareholder to express their opinion on the items on the agenda of the General Meeting.

The Board of Directors shall organise the procedures and arrangements for holding the General Meeting of Shareholders in a manner that does not unduly hinder or increase the cost of voting.

Corporate management takes steps to encourage shareholder participation in the General Meeting of Shareholders; however, at present, no provision is made for remote attendance via technical means (including the internet). Key members of corporate management attend the company's General Meetings of Shareholders.

Documents for the Annual General Meeting of Shareholders

The wording in the written materials prepared by the Company and relating to the agenda of the General Meeting is specific and clear, and does not mislead shareholders. All proposals concerning major corporate events are presented as separate items on the agenda of the General Meeting, including the proposal for the distribution of profits.

TIB AD maintains a special section on its website dedicated to shareholders' rights and their participation in the General Meeting of Shareholders.

The Board of Directors assists shareholders who are entitled under current legislation to include additional items and to propose resolutions on items already included on the agenda of the General Meeting, by taking all necessary legal and practical steps to publicise the additional items added to the agenda of a General Meeting that has already been convened.

The Board of Directors of TIB AD guarantees the right of shareholders to be informed of the resolutions adopted at the General Meeting of Shareholders by publishing the Minutes of the General Meeting of Shareholders through the selected media agencies.

TIB AD has no different classes of shares. All shares confer the same rights on shareholders and all shareholders are treated equally. The Articles of Association provide comprehensive information regarding the rights conferred by the shares.

Within the limits permitted by current legislation and in accordance with the provisions of the company's governing documents, the Board of Directors does not prevent shareholders, including institutional shareholders, from consulting with one another on matters relating to their fundamental shareholder rights, provided that such consultation does not give rise to any abuse. The Board of Directors does not permit transactions with controlling shareholders that infringe the rights and/or legitimate interests of other shareholders, including where such transactions involve dealing on one's own account.

Disclosure of financial and non-financial information

The Board of Directors approves the disclosure policy in accordance with legal requirements and the company's articles of association. When disclosing information relating to sustainable development, financial reporting and other corporate information, it endeavours to highlight the interconnections between its various components.

In accordance with the adopted policy, corporate management establishes and maintains a system for disclosing information relating to sustainable development, financial reporting and other corporate information.

The disclosure system ensures a level playing field for the recipients of the information (shareholders, stakeholders, the investment community) and prevents the misuse of inside information.

The Board of Directors ensures that the disclosure system provides complete, timely, accurate and comprehensible information, enabling objective and informed decisions and assessments.

The Board of Directors promptly discloses the company's shareholding structure and any agreements leading to the exercise of control, in accordance with its disclosure rules and applicable legislation.

The Board of Directors adopts and monitors compliance with internal rules governing the preparation of annual and interim reports and the procedures for disclosing information.

The Board of Directors has established an internal structure that ensures the timely disclosure of all material regulated information concerning the company, its management, its corporate governance, its operational activities and its shareholding structure.

TIB AD is under no obligation to, and does not disclose, information relating to sustainable development on an annual basis in accordance with national legislation and applicable European law in its non-financial statement.

As part of the disclosure system, the company maintains a website with approved content, scope and frequency of the information disclosed through it. The information disclosed via the company's website shall include:

· basic information identifying the company and its business model;

· up-to-date information on changes to the shareholding structure;

· the company's constitutional documents and the policies adopted that relate to the company's activities and operations;

· information on the structure and composition of the board of directors, as well as key information on its members, including information on committees;

· financial statements for the last 10 years;

· materials for the company's forthcoming general meetings of shareholders, as well as any additional materials received in accordance with the law. Information on the resolutions adopted by the general meetings of shareholders for at least the last five years, including information on the dividends distributed by the company during that period;

· information on the auditors;

· information on the shares issued;

· important information relating to the company's activities;

· information on shareholders' rights, including sufficient information regarding the right of shareholders to request the inclusion of items and to propose resolutions on items already included on the agenda of the general meeting in accordance with Article 223a of the Commercial Act;

· contact details for the company's investor relations director.

TIB AD also provides key information in English. The company's management discloses all material periodic and ad hoc information concerning the company via www.x3news.bg.

Stakeholders. Sustainable development

Sustainable development is the achievement of a balance between social and environmental principles, in the form of socially just and environmentally sound economic development. It aims to meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

The Board of Directors is committed to establishing actions and policies regarding the company's sustainable development, including the disclosure of information relating to climate and social aspects of its operations.

The Board ensures effective engagement with stakeholders by providing guidance, approving and monitoring the stakeholder engagement policy. The group of stakeholders comprises groups of individuals on whom the company has a direct impact and who, in turn, may influence its operations, including suppliers, customers, employees, creditors, advocacy groups and others. TIB AD identifies the stakeholders relevant to its operations based on their degree and scope of influence, role and relationship to its sustainable development.

In its stakeholder engagement policy, the Board of Directors complies with legal requirements. Corporate management ensures that the rights of stakeholders, as established by law or by mutual agreement with the company, are respected.

TIB AD implements policies with stakeholders in accordance with the principles of transparency, accountability, business ethics and the protection of human rights.

The Board of Directors ensures that all stakeholders are adequately informed of their statutory rights.

In accordance with this policy, the Board of Directors also applies specific rules to take account of the interests of stakeholders. These rules ensure the participation of stakeholders and their involvement in resolving specific issues that require their input. These rules ensure a balance between the company's development and the economic, social and environmentally sound development of the environment in which it operates.

The Board of Directors maintains effective links with stakeholders. In accordance with legal requirements, TIB AD applies international best practice by communicating non-financial information informally through the media and at events throughout the year; the company provides information on economic, social and environmental issues of relevance to stakeholders, such as: the fight against corruption; relations with employees, suppliers and customers; corporate social responsibility; environmental protection; and human rights violations.
The Board of Directors ensures timely and regular access to relevant, sufficient and reliable information about the company when stakeholders participate in the corporate governance process.

1. Description of the key features of the issuer's internal control and risk management systems in relation to the financial reporting process

1.1. Control environment.

The control environment in TIB AD is formed based on:

a. *Communicating and upholding integrity and ethical values*:

At TIB AD, as well as within its group of affiliated companies, a Code of Ethics has been adopted, which sets out a framework for personal integrity and professional ethics within the Company. The Code of Ethics has been communicated to all employees, who agree to comply with the ethical standards and professional ethics set out therein. It has been incorporated into the job descriptions of all employees, including those in the Financial Supervision Office, and serves as a model for their conduct.

b. *Competence commitment*:

TIB AD has drawn up a Procedure for the selection and appointment of employees under employment contracts. Requirements have been set out regarding the education, length of service and professional experience of employees at all levels.

c. *Involvement of those responsible for general management*:

The Executive Director of TIB AD has put in place appropriate procedures and rules for the exercise of internal control. He is responsible for the financial management and control of the Company under his leadership, in accordance with the principles of legality, sound financial management and transparency. The Executive Director delegates his powers to other officers of the Company, defining their specific rights and obligations and requiring periodic reporting on the exercise of the delegated powers.

The Executive Director of TIB AD has established and maintains the conditions for the operation of an independent internal audit function, which reports to the Board of Directors and the Audit Committee.

The governing bodies that bear specific responsibilities and powers regarding the financial reporting process and other related processes are: the Board of Directors, the Audit Committee, the Chief Financial Officer or the person performing that function, and the Chief Accountant – the preparer of the financial statements.

Upon approving the annual financial statements for issue, the Board of Directors adopts and confirms: the accounting policy and any changes thereto for each reporting period, the accounting estimates made as at the end of each reporting period, including the methodology applied; the financial statements and reports, and other public documents containing financial information.

The Audit Committee independently monitors the implementation of financial reporting processes, the accounting policies applied and the effectiveness of the company's internal control system, including risk management, as well as the conduct and results of the external and internal audits.

The Finance Director is responsible for the overall organisation, operation and day-to-day supervision of the accounting function and financial reporting. He directly manages the entire process and takes all key decisions relating to the financial statements and other public documents containing financial information. He also approves, at the first level, the accounting policy and the main reporting methodologies, and assesses and accepts the work of independent experts (valuers, actuaries, consultants, etc.) involved in the financial reporting process. Together with the chief accountant, he monitors on an ongoing basis the effects and risks to the financial statements arising from the identified business risks facing the company. The Chief Accountant organises and manages the company's accounting and reporting activities – supervises and provides methodological guidance on day-to-day accounting, oversees the preparation of financial and management reports; is responsible for the development and implementation of accounting and reporting methodologies and techniques; is responsible for the year-end closing process and the preparation of all accounting estimates; proposes and develops accounting policies and changes thereto; and monitors current changes to IFRS. They are the direct point of contact with the internal and external experts engaged for the purposes of financial reporting.

d. *Philosophy and management style:*

The management of TIB AD prepares the financial statements in accordance with the principle of providing a true and fair view of the Company's financial position and its financial performance. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with local legislation.

Management confirms that it has consistently applied appropriate accounting policies and that, in preparing the financial statements as at 31 December, the principle of prudence has been observed in the valuation of assets, liabilities, income and expenses.

Management also confirms that it has adhered to the applicable accounting standards, and that the financial statements have been prepared on a going concern basis. Management is responsible for the accurate maintenance of the accounting records, the sound management of assets and for taking the necessary measures to prevent and detect any fraud or other irregularities.

e. *Organisational structure:*

TIB AD has adopted a staffing table, internal work regulations, job descriptions (ensuring a separation of duties) and a hierarchical structure with defined levels of subordination and reporting. The independence of the Internal Audit unit is ensured.

f. *Human Resource management policies and practices*:

TIB AD has drawn up a Procedure for the selection and appointment of employees under an employment contract, as well as a Procedure for the appraisal of employees.

g. *Staff competence:*

The competence requirements for staff are set out in their job descriptions. The desire and need for further training are reflected in staff members' annual individual development plans. These are drawn up on the basis of the company's annual staff appraisals. Once the annual appraisals have been completed, the results regarding areas for improvement in skills and competencies are discussed with the department heads, and a training programme is drawn up. Management ensures that staff have the opportunity to develop the necessary knowledge and skills by participating in appropriate training programmes.

1.2. Risk Assessment Process at TIB AD.

Risk management is an essential element of the overall management process at TIB AD. It is well known that every organisation is dynamic and subject to constant change – in terms of time, money and stakeholders; consequently, there is always a certain level of risk that needs to be managed. The objective of risk management within the Company is:

To maximise the likelihood of a positive impact on its operations and to minimise the likelihood of a negative impact.

The management of TIB AD regards risk management as a key activity contributing to the achievement of the Company's objectives. To this end, all decisions and actions taken to manage the identified risks and to ensure periodic review of the process, with a view to maintaining its relevance, are documented. The operational environment in which the management of TIB AD operates is the framework within which risk management should be applied. It consists of factors, both external and internal to the Company, which influence its operations.

a. External factors – The external factors affecting TIB AD include the complexity and changes in the existing regulatory framework, technological developments, public opinion, the country's economic conditions relating to access to finance, political conditions, environmental protection and the existence of legal restrictions, etc., and are illustrated in the following table:

External factors	Risks
Changes to the regulatory framework	The Company operates in a regulated environment subject to specific legislation, which includes not only the standard IFRSs but also the Accounting Act, tax legislation and the requirements of the Gambling Act. Changes to the legislation and other regulations may restrict the Company's planned activities. The provisions may contain requirements that are difficult to implement in practice.
Complexity of the regulatory framework	Legislation sometimes contains contradictory provisions that are open to different interpretations. The absence of rules or subordinate legislation governing implementation may lead to infringements being identified

	even when the legislation is applied in good faith. Lack of appropriate systems and trained staff to implement the provisions.
Technological development	Underdeveloped technologies are forcing suppliers to stop supporting their current systems. Implementing or updating new accounting software carries the risk of errors occurring.
Changes in the political situation	A change in government, legislation or the management of the CRC may alter the objectives set by TIB AD. It may lead to a change in the regulatory framework, which in turn may result in a change to the requirements for carrying out a particular.

External factors	Risks
Environment	Changes to environmental protection requirements may mean that existing activities or projects will have to be discontinued or modified, and that opportunities for new investment may arise.
Changes in the economic environment relating to the Company's financial institutions	The main financial partners of TIB AD are banks and payment service providers, which ensure the smooth flow of substantial cash flows. Problems in this sector would disrupt the company's day-to-day commercial operations.
Natural disasters	A fire, flood or other natural disaster could have a minor adverse impact on the assets required to carry out the intended activity.

b. **Internal factors -** The organisation of operational activities within TIB AD, available resources, existing financial, accounting and IT systems, new activities, operations or functions, internal restructuring of activities and other matters are set out in the following table:

Internal factors	Risks
Corporate restructuring.	Changes to the structure and operations of TIB AD, and consequently to its objectives, may have an unexpected adverse effect.
Changes to the internal control system	A change to the structure of TIB AD could weaken the internal control system, leading to losses and system failures within the Company.
Human resources	It is possible that weak personnel policies could result in an inability to recruit the necessary staff or to maintain and enhance administrative capacity.
New or upgraded information systems.	Significant and rapid changes to information systems may alter the risks associated with the accuracy of reporting and internal control.
Measures to protect information systems	System failures, loss, tampering or improper management of data, or unauthorised access to the Company's information systems, may adversely affect its operations.
New technologies.	The introduction of new technologies into production processes or information systems may alter the risks associated with internal control.
Rapid growth.	Significant and rapid expansion of operations may strain controls and increase the risk of failure in their operation.
Expansion of overseas operations.	The expansion or acquisition of operations abroad entails new and often unique risks that could affect internal control.

New accounting standards and interpretations.	The adoption of new accounting principles or changes to accounting principles may affect the risks.
Poor financial management	Inappropriate management of allocated financial resources or exceeding planned limits, and the accumulation of excessive liabilities.
New accounting standards and interpretations.	Theft of assets, misuse of fixed assets.

1.2. Information system.

TIB AD has implemented and utilises a suite of various software products that form an information system relating to financial reporting and communication. The components of the overall information system are:

Operational software – used to record financial operations and transactions in the provision of all services offered as part of the Company's core business – the online betting platform, including the recording of customer deposits and withdrawals.

· Financial and accounting software – used to record all transactions, including income and expenditure operations, bank account transactions and their allocation to budget categories;

· Payroll software – used to automate the calculation of staff remuneration within the Company and to automate mandatory deductions and contributions for individual accounts;

Overall, the Information System comprises methods and documentation which:

· identify and record all valid transactions and operations;

· describe transactions and operations in a timely manner and in sufficient detail to allow for their appropriate classification for financial reporting purposes;

· measure the value of transactions and operations in a manner that allows their appropriate monetary value to be recognised in the financial statements;

· determine the time period during which the transactions and operations occurred, so as to allow them to be recorded in the appropriate accounting period;

· present the transactions and operations, and the related disclosures, appropriately in the financial statements.

The quality of the information generated by the systems affects Management's ability to make appropriate decisions regarding the management and control of the entity's activities and the preparation of reliable financial statements. Communication, which includes providing an understanding of the individual roles and responsibilities relating to internal control over financial reporting, is carried out electronically or through the actions of management.

1.3. Control activities, policies and procedures.

Control activities can be categorised as follows:

b. *Reviews of performance and operational results*:

These include:

- reviews and analyses of actual results against budgets, forecasts and results from previous periods;
- linking different sets of data – operational or financial – together with analyses of interrelationships and investigative and corrective measures;
- comparing internal data with external sources of information; reviewing performance results by function or by activity.

c. *Data processing:*

The two broad categories of control activities within information systems are application programme controls and general IT controls, which consist of policies and procedures relating to multiple application programmes and support the effective operation of application programme controls, thereby helping to ensure the continuous and proper functioning of information systems. Examples of application programme controls include:

- verification of the mathematical accuracy of records;
- maintenance and review of accounts and trial balances;
- automated controls, such as input validation and checks on numbering sequences, and manual follow-up of exception reports.

Examples of general IT controls include:

- controls over programme changes;
- controls that restrict access to programmes or data;
- controls over the implementation of new releases of packaged software applications; controls over system software restricting access to, or the ongoing monitoring of, the use of system utilities that could alter financial data or records without leaving a trace.

d. *Physical controls:*

These activities comprise:

- the physical security of assets, including appropriate safeguards such as secure facilities and access controls for assets and documents;
- authorisation of access to computer programmes and data files;
- periodic physical counts and reconciliation with the amounts recorded in the supporting documents (for example, reconciling the results of cash counts and stock-takes with the accounting records).

The extent to which physical controls designed to prevent the theft of assets relate to the reliability of the financial statements depends on circumstances such as cases where assets are particularly susceptible to misuse.

e. *Division of responsibilities:*

Allocating responsibilities for approving transactions and operations, recording them, and maintaining accountability for assets amongst different staff members. The segregation of duties is designed to minimise the possibility of any one employee being in a position to both commit and conceal errors or fraud in the normal course of their duties.

1.2. Ongoing monitoring of controls.

Control within TIB AD is an ongoing process carried out by the management, administration and staff of the Company. Ongoing controls are carried out through:

- Reports from the platform on receipts and payments, bets placed, data reported to the National Revenue Agency (NRA), etc. These reports enable ongoing control, with the accuracy of the data reviewed on a monthly basis.
- the Internal Control unit:
- the Financial Control unit;
- A 24-hour monitoring centre.

The ongoing control process aims to provide reasonable assurance regarding the achievement of objectives, categorised as follows:

- the execution and optimisation of operations;

- the reliability of financial and accounting information;
- compliance with the law and subordinate legislation.

Management's ongoing monitoring of controls involves assessing whether they are functioning as intended and whether they are being modified appropriately to reflect changes in circumstances. Ongoing monitoring of controls includes:

- management review – which relates to the organisation's key objectives, including those relating to performance, profitability and the conservation of resources.
- an assessment by internal auditors of compliance with the Company's quality policy.
- oversight of compliance with ethical standards or the Company's business practice policy – which covers compliance with the laws and regulations governing the organisation's activities.

Ongoing monitoring is carried out to ensure that controls continue to operate effectively over time.

The objective of all audit and control units within TIB AD is to support management by identifying and assessing risks and the adequacy of financial management and control systems with regard to:

- the identification, assessment and management of risk by management.
- compliance with legislation, internal regulations and contracts;
- the reliability and completeness of financial and operational information;
- the effectiveness, efficiency and economy of operations;
- the safeguarding of assets and information;
- the fulfilment of tasks and the achievement of objectives.

By achieving this objective, all audit and control units contribute to improving the operations of TIB AD and assist in the achievement of the Company's current and future objectives.

2. Information pursuant to Directive 2004/25/EC on takeover bids

2.1. Significant direct or indirect shareholdings within the meaning of Article 85 of Directive 2001/34/EC

As at 31 December 2025, the persons holding 5% or more of the shares with voting rights are:

Shareholder	Number of shares	Percentage of share capital
Eldorado Corporation AD	*11 623 862*	*89.69%*

2.2. Holders of all securities conferring special control rights and a description of those rights

The company has no shareholders with special control rights.

2.3. Restrictions on voting rights, such as restrictions on the voting rights of holders of a certain percentage or number of votes, deadlines for exercising voting rights, or systems whereby, through cooperation with the company, the financial rights attached to the securities are separated from the holding of the securities

There are no restrictions on voting rights. The deadlines for exercising voting rights are in accordance with the provisions of the Public Offering of Securities Act.

2.4. The rules governing the appointment or replacement of board members and the amendment of the Articles of Association

In accordance with the company's Statutes, the Board of Directors is elected by the General Meeting of Shareholders by a simple majority (a majority of the shares represented). Members of the Board may be re-elected without restriction. Upon the expiry of their term of office, members of the Board of Directors shall continue to perform their duties until a new Board is elected by the General Meeting.

The Statutes shall be amended by the General Meeting by a two-thirds majority of the voting shares represented at the General Meeting. The rules are set out in detail in the company's Statutes, which are published in the company's electronic file in the Commercial Register – https://portal.registryagency.bg/, enabling all third parties to familiarise themselves with them.

2.5. Powers of the Board with regard to the right to issue or redeem shares

The powers of the Board of Directors are set out in Article 32 et seq. of the Company's Statutes.

The Board of Directors may increase the Company's share capital, by one or more resolutions, up to a total nominal amount of the increases carried out pursuant to this authorisation of 30,000,000 leva, through the issue of new shares in accordance with the Public Offering of Securities Act within a period of up to 5 years from the date on which the Statutes come into force. Within the period specified in the first sentence, the Board of Directors shall be entitled to adopt resolutions to issue one or more issues of warrants and convertible bonds, provided that the total amount of the issues of convertible bonds issued shall not exceed 30,000,000 (thirty million) leva. The total amount of the capital increases carried out in accordance with the first sentence, and the capital increases that may be carried out upon the exercise of rights under instruments issued in accordance with the second sentence (assuming that the rights to acquire shares under all issued instruments are exercised), shall not exceed the amount specified in the first sentence.

Pursuant to this authorisation, the Board of Directors may resolve to increase the Company's share capital by issuing new shares solely through the issue of ordinary shares or preference shares without voting rights and with the right to an additional dividend, the amount of which may not exceed 25% of the dividend on ordinary shares. In the event that warrants or convertible bonds are issued by resolution of the Board of Directors pursuant to this sub-paragraph, the Board of Directors shall be entitled to resolve to increase the share capital on a conditional basis in order to secure the rights of the holders of the relevant instruments. The Board of Directors is authorised to make the necessary amendments to the Company's Statutes to reflect the capital increase it has carried out.

3. Composition and functioning of the administrative, management and supervisory bodies and their committees

As at 31 December 2025, the members of the Company's Board of Directors are: Angel Andonov Iribozov (executive member of the Board), Desislava Peeva Panova (Chair of the Board) and Emil Alexandrov Georgiev (independent member of the Board).

The 2025 financial statements and the accompanying Annual Report on the Company's Activities for 2025 contain detailed information on the shares in the Company's capital held by the members of the Board of Directors, the remuneration and/or compensation received, as well as on each member's participation in the supervisory and/or management bodies of other commercial companies and the shares they hold in the capital of other companies.

In accordance with the requirements of the Independent Financial Audit Act, as at 31 December 2025, the Audit Committee comprises: Anelia Petkova Angelova-Tumbeva, Violeta Georgieva Petkova and Evelina Nevenova Dzhukova. At the General Meeting of Shareholders held on 24 March 2025 the composition of the Audit Committee was amended, with Violeta Georgieva Petkova being elected to replace Iskra Simeonova Atanasova.

4. Description of the diversity policy applied in relation to the issuer's administrative, management and supervisory bodies with regard to aspects such as age, gender, education and professional experience; the objectives of this diversity policy; the manner in which it is implemented; and the results achieved during the reporting period

Not applicable pursuant to Article 100n(12) of the Public Offering of Securities Act.

REPORT

on application of

REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS OF TELEMATIC INTERACTIVE BULGARIA AD FOR 2025

This is the remuneration policy drawn up by the Board of Directors ("BoD") of Telematic Interactive Bulgaria AD and approved by the General Meeting of Shareholders held on 23 June 2022 ("the Policy").

The Board of Directors is composed as follows:

Desislava Peeva Panova	Chair
Angel Andonov Iribozov	Member and Chief Executive Officer
Emil Alexandrov Georgiev	Independent Member

This report constitutes a separate document accompanying the Company's annual separate financial statements for 2025 and is submitted for the attention of the Company's shareholders; it may be discussed with the members of the Board of Directors (BoD) at the Company's annual General Meeting of Shareholders.

This report sets out how the remuneration policy was implemented in 2025. It reflects the actual application of the criteria for determining the remuneration of the members of the Company's Board of Directors, in accordance with the Regulation amending and supplementing Regulation No. 48 of 2013 on remuneration requirements.

The aim is for members of the Board of Directors to work with motivation in the interests of the Company and its shareholders, whilst avoiding potential and actual conflicts of interest, to contribute to the achievement of business objectives, the long-term interests and sustainability of the Company, and to introduce objective and measurable criteria for determining the amount and payment of the components making up the total remuneration of the members of the management body.

1. **Information on the decision-making process for determining the remuneration policy, including, where applicable, information on the terms of reference and composition of the remuneration committee, and the names of any external advisers whose services were used in determining the remuneration policy:**

The decision-making process for determining the remuneration policy is set out in the Public Offering of Securities Act (POSA), Regulation No. 48 and the adopted Policy. The Company pays remuneration only in accordance with the Policy adopted by the General Meeting of Shareholders. Where the General Meeting of Shareholders does not adopt the proposed amendments and/or additions to the Policy, or the proposed new policy, the Company shall continue to pay remuneration to the members of the Board of Directors in accordance with the adopted Policy, and the Board of Directors shall be obliged to submit, for adoption at the next General Meeting of Shareholders, revised amendments and/or additions thereto, or a revised new Policy, as the case may be.

No external consultants were used in the development of the policy. Given its internal organisation, the Company has not established a special remuneration committee.

2. **Information regarding the relative weighting of variable and fixed remuneration for members of the management body:**

The fixed remuneration set for the Board of Directors represents a sufficiently large proportion of the total remuneration of the Board and thus enables the Company to withhold the variable remuneration where the criteria for its payment have not been met. The remuneration structure aims to ensure an appropriate balance and fair remuneration, in line with the Company's strategy and objectives.

The remuneration scheme applied for 2024 was approved by the General Meeting of Shareholders held on 11 March 2024, The remuneration scheme sets out a maximum amount of variable remuneration for each member of the Board of Directors. The variable remuneration accrued in 2025 amounts to 33% of the total remuneration received by the members of the Board of Directors.

3. **Information regarding the performance criteria on the basis of which share options, shares in the company or other forms of variable remuneration are granted, and an explanation of how the criteria set out in Article 14(2) and (3) of Regulation No 48 contribute to the company's long-term interests:**

Variable remuneration is paid on the basis of financial criteria relating to results achieved. The criteria are objective and measurable, and include indicators that are relevant to the Company's long-term performance. The criteria are described below in point 5 of this report.

4. **Explanation of the methods used to assess whether the criteria for the results achieved have been met:**

The Policy provides for the payment of variable remuneration, including in shares. Depending on whether the remuneration is payable on the basis of financial results achieved or on the basis of earnings per share achieved, the Board of Directors assesses whether the criteria for its payment have been met.

The assessment of whether the specified financial and non-financial criteria for the results achieved, for the payment of variable remuneration, have been met is carried out on the basis of quarterly reports and audited financial information disclosed by the Company.

5. **Explanation of the link between remuneration and performance:**

The fixed remuneration of the members of the Board of Directors is not dependent on the results of their performance and/or the Company's performance. In accordance with the adopted Policy, variable remuneration is determined on the basis of results achieved, as follows:

Variable remuneration for members of the Board of Directors is payable upon achievement of the financial results set out in the Variable Remuneration Scheme for members of the Board of Directors, based on the financial results achieved for the relevant year in which the following financial and non-financial indicators have been met:

For the Executive Director:

1. Variable remuneration, calculated on a quarterly basis upon achievement of a profit target of BGN 4,500,000 after corporation tax. Variable remuneration shall be accrued and paid only if 80% or more of the target set in the preceding sentence is achieved, and shall be as follows:

  - Where the target is met by more than 90% − 0.5% of the profit (after corporate tax), but not more than 20,000 (twenty thousand) leva;
  - Where the target is achieved at a rate of over 80% but not exceeding 90% − 0.15% of the profit (after corporation tax), but not exceeding 10,000 (ten thousand) leva.

2. Variable remuneration upon achieving a 12-month target of a profit of 20,000,000 (twenty million) leva after corporation tax. Variable remuneration shall be accrued and paid only upon achieving 80% or more of the target set out in the preceding sentence, and shall be calculated as follows:

  - Where the target is met by more than 90% − 0.20% of the profit (after corporate tax), but not exceeding 50,000 (fifty thousand) leva;
  - Where the target is achieved at a rate of over 80% but not exceeding 90% − 0.10% of the profit (after corporation tax), but not exceeding 25,000 (twenty-five thousand) leva.

3. Where a consolidated profit after tax in excess of 16,000,000 (sixteen million) leva is achieved, an annual bonus of 1% of the amount exceeding the target set out in point 2 shall be payable. The remuneration under point 3 shall be paid only if 90% of the target is met and is capped at 20,000 (twenty thousand) leva.

For the other members of the Board of Directors

- Upon achieving 80% or more of the target set for the quarter, as described in point 1 above – variable remuneration amounting to one month's fixed remuneration.
- Upon achieving 80% or more of the target described in point 2 above – variable remuneration equal to one month's fixed remuneration. Upon achieving a consolidated annual profit amounting to 90% or more of the figure specified in point 3 above – variable remuneration equal to one month's fixed remuneration.

6. **Key payments and justification of the annual scheme for the payment of bonuses and/or any other non-cash additional remuneration:**

Members of the Board of Directors of Telematic Interactive Bulgaria AD receive fixed and variable remuneration in an amount determined by the General Meeting of Shareholders. During the reporting period, gross remuneration was paid to the members of the Board of Directors as follows:

	Fixed remuneration	Variable remuneration
Lachezar Tsvetkov Petrov	100 594	92 390
Angel Andonov Iribozov	63 810	3 285
Desislava Peeva Panova	60 000	20 666
Emil Aleksandrov Georgiev	30 000	10 334
Total:	254 404	126 675

7. **Description of the main features of the supplementary voluntary pension scheme and information regarding the contributions paid and/or due by the company to the relevant member of a management or supervisory body and authorised signatory for the relevant financial year, where applicable:**

The policy does not provide for the payment of benefits in the form of supplementary voluntary pension or health insurance.

8. **Information on the deferral periods for the payment of variable remuneration:**

Variable remuneration is paid in accordance with the following scheme:

(a) 60 % of the variable remuneration accrued for the relevant quarter shall be paid together with the fixed remuneration;

(b) 40% of the variable remuneration shall be deferred over a period of three years, with the deferred portion of the variable remuneration being paid in equal instalments together with the fixed remuneration during the deferral period;

(c) when the variable remuneration for the fourth quarter of the relevant year is accrued and paid, the portion of variable remuneration under the Variable Remuneration Scheme for members of the Board of Directors, based on the financial results achieved for the relevant year in respect of met annual targets, shall also be accrued and paid, with no less than 40% of the total variable remuneration accrued for the relevant year being deferred over a period of three years, and the deferred portion of the variable remuneration to be paid in equal instalments together with the fixed remuneration during the deferral period.

9. **Information on the compensation policy in the event of contract termination:**

Upon termination of the management contract, the relevant member of the Board of Directors shall receive no less than 30% (Desislava Panova) and 50% (for Angel Iribozov) of the basic remuneration under the contract for a period of up to 12 months, provided that they have no other income from employment during that period. No other compensation is provided for, apart from that provided for under the Labour Code.

10. Information on the period during which shares may not be transferred and share options may not be exercised in the case of variable share-based remuneration:

Variable remuneration has been granted to the members of the Board of Directors in the form of shares in the company for 2025. The transfer of ownership of the shares granted shall take place upon the expiry of a three-year period from the date of the General Meeting's resolution granting the shares. No remuneration based on changes in the price of the company's shares is envisaged.

11. Information on the policy regarding the retention of a specified number of shares until the end of the term of office of members of the management and supervisory bodies following the expiry of the period referred to in point 10:

There is no provision for retaining shares after the deadline specified in point 10.

12. Information regarding the contracts of members of the management and supervisory bodies, including the term of each contract, the notice period for termination, and details of any compensation and/or other payments due in the event of early termination:

Contracts with members of the management body are fixed-term. The notice periods and compensation payable do not differ from those customary in commercial practice and as set out in Bulgarian legislation. No compensation or other payments are provided for, apart from those specified in point 9.

13. The total amount of remuneration and other financial incentives paid to members of the management and supervisory bodies for the relevant financial year:

The total gross remuneration accrued to the members of the Board of Directors for 2025 amounts to BGN 381,000. The members of the Board of Directors did not receive any other material incentives apart from their monetary remuneration. Additional remuneration of BGN 85,600 is payable, representing the portion of the variable remuneration deferred over a period of three years in accordance with the rules of the Policy..

14. Information on the remuneration of any person who has been a member of a management or supervisory body of a public company for a specific period during the relevant financial year:

a) The total amount of gross remuneration paid and/or accrued to the individual for the relevant financial year:

Information on remuneration paid and accrued is set out in point 6.

b) Remuneration and other financial and non-financial incentives received by individuals from companies within the same group:

In 2025, Lachezar Petrov received remuneration of 78,000 BGN from the subsidiary CT Interactive EOOD.

	Fixed remuneration	Variable remuneration
Lachezar Tsvetkov Petkov	7,500	29,857

c) Remuneration received by individuals in the form of profit distributions and/or bonuses, and the grounds for their award

Information on remuneration paid and accrued is set out in point 6.

d) Any additional payments for services provided by individuals outside the scope of their normal duties, where such payments are permitted under the contract entered into with them:

No such payments have been made.

e) Compensation paid and/or accrued in connection with the termination of office of individuals during the last financial year:

No such compensation has been paid and/or accrued.

f) Total valuation of all non-cash benefits treated as remuneration, other than those specified in points (a) to (e):

No non-monetary benefits equivalent to remuneration have been paid.

g) Information regarding all loans granted, payments towards social and living expenses, and guarantees provided by the company or by its subsidiaries or other companies included in the consolidation of its annual financial statements, including details of the outstanding balance and interest:

There are none.

15. Information regarding shares and/or share options and/or other share-based incentive schemes:

In accordance with the approved Scheme for the Grant of Share-Based Remuneration to Members of the Board of Directors, the maximum number of shares, in total for all members of the Board, for the four years of the Scheme's validity, is up to 103,680 shares, or up to 0.8% of all shares in the Company's share capital.
The maximum number of shares subject to remuneration under this Scheme, in total for all members of the Board of Directors, for each year during the period of its validity, is 25,920 shares, or up to 0.2% of all shares in the Company's share capital.
The maximum number of shares that may be granted to an individual member of the Board of Directors is allocated as follows:

- up to 60% for the Executive Director;
- up to 30% for the Chair of the Board of Directors and the person representing the company;
- up to 10% for the non-executive member of the Board of Directors.

a) Number of options on shares offered or shares granted by the company during the relevant financial year, and the terms on which they were offered or granted, respectively:

To meet the non-financial criteria for 2024, the General Meeting of Shareholders approved the allocation of shares as follows:

Lachezar Tsvetkov Petkov	15 552 shares
Desislava Peeva Panova	7 776 shares
Emil Alexandrov Georgiev	2 592 shares

The shares will be transferred from the treasury shares repurchased during the period 12 June 2028 – 31 December 2028.

b) Number of share options exercised during the relevant financial year and, for each of them, the number of shares and the exercise price of the option or the value of the interest under the share-based incentive scheme at the end of the financial year:

No share options have been granted.

c) Number of unexercised share options at the end of the financial year, including details of their price and exercise date, and the material conditions for exercising the rights:

No share options have been granted.

d) Any changes to the terms and conditions of existing share options granted during the financial year:

None.

16. Information regarding the annual change in remuneration, the company's results and the average full-time remuneration of the company's employees who are not directors, for at least the previous five financial years.

BGN'000	2021	2022	2023	2024	2025
Gross remuneration of the Board of Directors	431.4	495.6	502	569	381
Remuneration of employees, excluding members of the Board of Directors	2 729	5 186	6 443	10,029	13,600
Average annual number of employees	56	82	96	165	185
Average annual remuneration per employee	48.7	63.2	67.1	60.8	73.5
Revenue from services	75 738	97 381	112 987	128,221	131,170
Net profit for the year	20 352	22 608	21 102	20,265	14,991
Change in remuneration of the Board of Directors	3442%	15%	1%	13%	-33%
Growth in employee remuneration (excluding Board members)	116%	90%	24%	56%	36%
Growth in average annual remuneration per employee	0%	30%	6%	−9%	21%
Growth in revenue from services	167%	29%	16%	13%	2%
Growth in net profit	176%	11%	−7%	−4%	-26%

17. Information on exercising the right to request the repayment of variable remuneration:

The contracts between the Company and the members of the Board of Directors contain provisions allowing the Company to reduce, including to zero, the variable remuneration of members of the Board of Directors, or to demand the repayment of variable remuneration already paid, in full or in part, where a decision to determine and pay variable remuneration was adopted on the basis of data which subsequently proved to be incorrect. A resolution to reduce or reclaim variable remuneration shall be passed by the General Meeting of Shareholders in accordance with the applicable legislation. Under the adopted Policy, in the event that there is no agreement between the Company and one or more members of the Board of Directors regarding the terms and timeframe for the repayment of variable remuneration received, these shall be determined in a resolution of the General Meeting of Shareholders.

18. Information on any deviations from the procedure for implementing the remuneration policy in connection with exceptional circumstances under Article 11(13) of Regulation No 48, including an explanation of the nature of the exceptional circumstances and a specification of the specific components that have not been applied:

There has been no deviation from the procedure in the implementation of the remuneration policy.

ANGEL ANDONOV IRIBOZOV

Digitally signed by ANGEL ANDONOV IRIBOZOV
Date: 2026.03.31 10:50:19 +03'00'

Angel Iribozov,

Executive Director

DECLARATION
pursuant to Article 100n(4)(4) of the Public Offering of Securities Act

The undersigned, **Angel Andonov Iribozov**, in his capacity as Executive Director and representative of **Telematic Interactive Bulgaria AD**, registered in the Commercial Register of the Registry Agency under UIC 206568976, with its registered office and address of management at: Sofia, Ilinden District, 7 Kukush Street,

HEREBY DECLARE THAT:

1. To the best of my knowledge, the annual financial statements for 2025, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of **Telematic Interactive Bulgaria AD**.

2. To the best of my knowledge, the annual report on the activities of Telematic Interactive Bulgaria AD for 2025 contains a true and fair view of the issuer's development and operating results, as well as the financial position of the issuer, together with a description of the principal risks and uncertainties facing it.

Date: 31.03.2026

Declarer:

ANGEL ANDONOV IRIBOZOV

Digitally signed by ANGEL ANDONOV IRIBOZOV
Date: 2026.03.31 10:51:01 +03'00'

Angel Iribozov Executive Director

DECLARATION
pursuant to Article 100n(4)(4) of the Public Offering of Securities Act

The undersigned, **Rumen Mitkov Terziyski**, in my capacity as Chief Accountant of **Telematic Interactive Bulgaria AD**, registered in the Commercial Register at the Registry Agency under UIC 206568976, with its registered office and address of management at: Sofia, Ilinden district, 7 Kukush Street,

HEREBY DECLARE THAT:

To the best of my knowledge:

1. The annual financial statements for 2025, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit or loss of **Telematic Interactive Bulgaria AD.**
2. The annual report on the activities of **Telematic Interactive Bulgaria AD** for 2025 contains a true and fair view of the issuer's development and operating results, as well as the financial position of the issuer, together with a description of the principal risks and uncertainties facing it.

Date: 31.03.2026

RUMEN MITKOV TERZIYSKI

Digitally signed by RUMEN MITKOV TERZIYSKI
Date: 2026.03.31 10:24:08 +03'00'

Declarer: ______________________

Rumen Terziyski Chief Accountant

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of

Telematic Interactive Bulgaria AD
7, Kukush Street, Sofia, Bulgaria

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Telematic Interactive Bulgaria AD, comprising the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year ended on that date, as well as the notes to the separate financial statements, containing significant information regarding accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the Company's financial position as at 31 December 2025, its financial performance and cash flows for the year then ended, in accordance with IFRS as adopted by the EU and Bulgarian legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the section of our report entitled 'The auditor's responsibilities for the audit of the consolidated financial statements'. We are independent of the Company in accordance with the 'International Code of Ethics for Professional Accountants (including International Standards on Independence) of the International Ethics Standards Board for Accountants (IESBA Code)', as applicable to audits of the financial statements of public-interest entities, together with the ethical requirements applicable to audits of the financial statements of public-interest entities in Bulgaria. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IEABC Code. We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters which, in our professional judgement, were of the greatest significance in the audit of the financial statements for the current period. These matters have been addressed as part of our audit of the financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Recognition of revenue from bets	
Key audit matter	**How this key audit matter was addressed in our audit**
The Company's principal activity consists of organising and operating online betting, from which revenue for the period is generated. To determine whether and how to recognise revenue, the Company applies the five-step model set out in IFRS 15 Revenue from Contracts with Customers, as disclosed in Note 4.5 to the separate financial statements.	**During our audit, our audit procedures included, but were not limited to:** recognition of revenue from bets received and the provision of gaming content, and an analysis of compliance with the applicable financial reporting framework and the applicable legislative framework; - Review and analysis of industry practices for recognising revenue from gambling and online betting, including outside the country, to establish compliance with accepted principles, rules and

	best practices.

For 2025, the Company reports revenue from bets received amounting to BGN 131,170 thousand, representing an increase compared with the previous reporting period, in which revenue amounted to BGN 128,221 thousand, as set out in Note 18 to the separate financial statements. The Company's activities as an organiser of online betting are subject to licensing in accordance with the requirements of the Gambling Act, and the proceeds from these activities are subject to a two-part government levy. Notes 4.5 'Revenue from contracts with customers' and 18 'Revenue' to the separate financial statements provide information on the Company's policy for recognising revenue from bets and the types of bets. Due to the specific nature of the business, the method of recognising revenue in the gambling industry–in particular online betting–and the reported growth in revenue from bets received during the period, we have identified this as a key audit matter.	- Review of key processes and gaining an understanding of the controls relevant to the financial reporting process, including the transfer and reconciliation of data from operational IT systems to financial accounting systems; - Assessment of the design, implementation and operation of access controls to the Company's operational systems; - Analytical procedures relating to the examination of changes in recognised revenue for the current financial year compared with the previous financial year, including by type of game; - Detailed tests regarding the existence and valuation of betting revenue, including procedures for external confirmation of the amount of bets received and winnings paid out with game providers; - Assessment of the adequacy of disclosures in the consolidated financial statements, including disclosures of key assumptions and judgements relating to revenue.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the consolidated management report, including the corporate governance statement, prepared by management in accordance with the Accounting Act, but does not include the consolidated financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion on it, unless expressly stated in our report and to the extent so stated. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and thereby assess whether that other information is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or otherwise appears to contain a material misstatement. Should we, on the basis of the work we have carried out, conclude that there is a material misstatement in this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS as adopted by the EU and Bulgarian legislation, as well as for such a system of internal control, which management determines is necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters relating to the going concern assumption and applying the accounting policy based on the going concern assumption, unless management intends to liquidate the Company or to cease its operations, or unless management has, in practice, no alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the Independent Financial Audit Act, and the expression of assurance on sustainability, will always detect a material misstatement where one exists. Misstatements may arise from fraud or error and are considered material if it could reasonably be expected that they, individually or in the aggregate, could influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than the risk of a material misstatement resulting from error, as fraud may involve collusion, fabrication, deliberate omissions, misrepresentations intended to mislead the auditor, and the disregard or circumvention of internal control;
- we obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management;
- form a conclusion on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, as to whether there is material uncertainty relating to events or conditions that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if those disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and
- events in a manner that achieves a fair presentation;
- we plan and carry out the audit of the Company to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the Company's financial statements. We are responsible for the direction, supervision and review of the audit work carried out for the purposes of the Company audit. We bear sole responsibility for our audit opinion.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any material weaknesses in internal control that we identify during the course of our audit.

We also provide those charged with governance with a statement that we have complied with the applicable ethical requirements regarding independence and that we will communicate to them all relationships and other matters that could reasonably be considered to be relevant to our independence, and, where applicable, the related safeguards.

Among the matters communicated to those charged with governance, we identify those that were of the greatest significance in the audit of the financial statements for the current period and which are therefore key audit matters. We describe these matters in our audit report, except where law or regulation precludes public disclosure of information on the matter or where, in extremely rare cases, we decide that a particular matter should not be communicated in our report because it could reasonably be expected that the adverse consequences of doing so would outweigh the benefits to the public interest of such communication.

Report in relation to other legal and regulatory requirements

In addition to our responsibilities and reporting under ISA, as described above in the section 'Information other than the financial statements and the auditor's report thereon' in relation to the consolidated management report, including the corporate governance statement, we have also carried out procedures in addition to those required by ISA, in accordance with the Guidelines of the professional body of chartered accountants and registered auditors in Bulgaria – the Institute of Public Accountants (ICPA). These procedures involve checks on the existence, as well as checks on the form and content, of this other information, with a view to assisting us in forming opinions as to whether the other information includes the disclosures and reports provided for in Chapter Seven of the Accountancy Act and in the Public Offering of Securities Act, (Article 100n(10) of the Public Offering of Securities Act in conjunction with Article 100n(8)(3) and (4) of the Public Offering of Securities Act, as well as Article 100n(13) of the Public Offering of Securities Act in conjunction with Article 116c(1) of the Public Offering of Securities Act), as applicable in Bulgaria.

Opinion regarding Article 37(6) of the Accountancy Act

Based on the procedures carried out, our opinion is that:

(a) the information included in the separate management report for the financial year to which the financial statements relate is consistent with the financial statements;

(b) the separate management report has been prepared in accordance with the applicable statutory requirements;

(c) as a result of the knowledge and understanding we have gained of the Company's operations and the environment in which it operates, we have not identified any instances of material misstatement in the separate management report;

(d) the corporate governance statement for the financial year presents the information required by the relevant legislation, including the information under Article 100(n), paragraph 8 of the Public Offering of Securities Act;

(g) the report on the implementation of the remuneration policy for the financial year for which the financial statements have been prepared has been submitted and complies with the requirements set out in the regulation under Article 116c(1) of the Public Offering of Securities Act

Statement regarding Article 100(n), paragraph 10 of the Public Offering of Securities Act

Based on the procedures carried out and the knowledge and understanding we have gained of the Company's operations and the environment in which it operates, in our opinion, there is no material misstatement in the description of the key features of the Company's internal control and risk management systems in relation to the financial reporting process, nor in the information set out in Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which is included in the Company's corporate governance statement forming part of the annual report on operations.

Supplementary report on the audit of the financial statements in accordance with Article 100(n), paragraph 4, point 3 of the Public Offering of Securities Act

- *Statement in relation to Article 100(n), paragraph 4, point 3, sub-point 'b' of the Public Offering of Securities Act*

Information regarding related-party transactions is disclosed in Note 25 to the separate financial statements. Based on the audit procedures we have carried out in relation to related-party transactions as part of our audit of the financial statements as a whole, no facts, circumstances or other information have come to our attention on the basis of which we would conclude that the related-party transactions have not been disclosed in the accompanying financial statements for the year ending on 31 December 2025, in all material respects, in accordance with the requirements of IAS 24 'Related Party Disclosures'. The results of our audit procedures relating to related-party transactions have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on related-party transactions.

– *Statement in relation to Article 100(n), paragraph 4, point 3, sub-point ‘c’ of the Public Offering of Securities Act*

Our responsibilities for the audit of the financial statements as a whole, as described in the section of our report ‘Auditor’s Responsibilities for the Audit of the Financial Statements’, include assessing whether the financial statements present the material transactions and events in a manner that achieves a fair presentation. Based on the audit procedures we have carried out in relation to the material transactions underlying the financial statements for the year ended 31 December 2025, nothing has come to our attention, circumstances or other information on the basis of which we could conclude that there are instances of material misstatement and non-disclosure in accordance with the applicable requirements of IFRS as adopted by the European Union. The results of our audit procedures relating to the Company’s transactions and events material to the financial statements have been considered by us in the context of forming our opinion on the financial statements as a whole, rather than for the purpose of expressing a separate opinion on these material transactions.

Report on the compliance of the electronic format of the separate financial statements, included in the annual separate financial statements for the activities referred to in Article 100n(4) of the Public Offering of Securities Act, with the requirements of the ESEF Regulation

In addition to our responsibilities and reporting in accordance with ISA, as described above in the section ‘Auditor’s responsibilities for the audit of the separate financial statements’, we have carried out the procedures set out in the ‘Guidance on the expression of an auditor’s opinion in relation to the application of the Single European Electronic Format (ESEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)’ issued by the Institute of Certified Public Accountants (ICPA) in Bulgaria”. These procedures involve verifying the format and whether the human-readable part of this electronic format corresponds to the audited separate financial statements, and expressing an opinion on the compliance of the electronic format of the separate financial statements of Telematic Interactive Bulgaria AD for the year ended 31 December 2025, attached in the electronic file ‘254900MAXRCO8KWAYC84-20251231-BG-SEP.xhtml’, with the requirements of Commission Delegated Regulation (EU) 2019/815 of the Commission of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council by means of regulatory technical standards for the definition of the single electronic reporting format (‘the ESEF Regulation’). On the basis of these requirements, the electronic format of the separate financial statements, included in the annual individual report on operations pursuant to Article 100n(4) of the Public Offering of Securities Act, must be submitted in XHTML format.

The Company’s management is responsible for applying the requirements of the ESEF Regulation when preparing the electronic format of the separate financial statements in XHTML.

Our opinion relates solely to the electronic format of the separate financial statements, as attached in the electronic file ‘254900MAXRCO8KWAYC84-20251231-BG-SEP. xhtml” and does not cover the other information included in the annual separate financial statements for the activities under Article 100n(4) of the Public Offering of Securities Act.

Based on the procedures performed, it is our opinion that the electronic version of the Company’s separate financial statements for the year ended 31 December 2025, contained in the attached electronic file “254900MAXRCO8KWAYC84-20251231 -BG-SEP.xhtml”, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting in accordance with Article 59 of the Independent Financial Audit Act and the expression of assurance on sustainability pursuant to Article 10 of Regulation (EU) No 537/2014

In accordance with the requirements of the Independent Financial Audit Act and the expression of assurance on sustainability in relation to Article 10 of Regulation (EU) No 537/2014, we further report the following information:

- Grant Thornton OOD has been appointed as the statutory auditor of the financial statements of Telematic Interactive Bulgaria AD for the year ended 31 December 2025 by the general meeting of shareholders held on 12 June 2025, for a period of one year.

- The audit of the financial statements for the year ended 31 December 2025 of the Company represents the fifth consecutive year of a continuous engagement for the statutory audit of an entity with public-interest entity status and the sixth consecutive year of a continuous engagement for a statutory audit carried out by us.

- In support of our audit opinion, we have provided, in the section ‘Key Audit Matters’, a description of the most significant risks assessed, a summary of the auditor’s response and significant observations relating to these risks, where appropriate.

- We confirm that the audit opinion we have expressed is consistent with the supplementary report submitted to the Company’s audit committee, in accordance with the requirements of Article 60 of the Independent Financial Audit Act and the expression of assurance on sustainability.

- We confirm that we have not provided any non-audit services prohibited under Article 64 of the

Independent Financial Audit and Sustainability Assurance Act.

- We confirm that, whilst carrying out the audit, we have maintained our independence from the Company. During the period covered by the statutory audit we carried out, we have not provided any services to the Company other than the audit.

APOSTOLOV Date: 2026.03.31 14:43:00 +03'00'

Mariy Apostolov
General Manager
Registered auditor in charge of the engagement

Grant Thornton OOD

Audit firm No 32

31 March 2026
26, Cherni Vrah Boulevard, Sofia, Bulgaria

Grant Thornton OOD
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DECLARATION pursuant to Article 100n(4)(3) of the Public Offering of Securities Act

To the shareholders of

Telematic Interactive Bulgaria AD
7, Kukush Street, Sofia, Bulgaria

The undersigned:

1. Mariy Georgiev Apostolov, in my capacity as a registered auditor (registration No. 488 in the register under Article 20 of the Independent Financial Audit Act), responsible for the audit engagement on behalf of the audit firm Grant Thornton OOD (registered under No. 032 in the register pursuant to Article 20 of the Independent Financial Audit Act) and Managing Director of the audit firm Grant Thornton Ltd, with UIC 831716285, having its registered office, place of business and correspondence address at: Sofia, 1421, 26 Cherni Vrah Boulevard, **I hereby declare, that**

Grant Thornton OOD was engaged to carry out a statutory financial audit of the separate financial statements of Telematic Interactive Bulgaria AD for 2025, prepared in accordance with IFRS accounting standards adopted by the EU, the generally accepted name of the accounting framework defined in *paragraph 8 of the Supplementary Provisions of the Accountancy Act* under the heading 'International Accounting Standards'. As a result of our audit, we issued an audit report dated 31 March 2026.

WE HEREBY CERTIFY THAT, as reported in the audit report issued by us on the annual separate financial statements of Telematic Interactive Bulgaria AD for 2025, issued on 31 March 2026 :

1. Article 100n, paragraph 4, point 3, letter "a" Auditor's opinion: In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU (*page 1 of the auditor's report*);

2. Article 100n, paragraph 4, point 3, letter "b" Information relating to transactions of Telematic Interactive Bulgaria AD with related parties. Information regarding transactions with related parties has been duly disclosed in note 24 to the financial statements. Based on the audit procedures we have carried out in respect of transactions with related parties as part of our audit of the financial statements as a whole, no facts, circumstances or other information have come to our attention on the basis of which we could conclude that the transactions with related parties have not been disclosed in the accompanying financial statements for the year ended 31 December 2025, in all material respects, in accordance with the requirements of IAS 24 'Related Party Disclosures'. The results of our audit procedures relating to related-party transactions have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on related-party transactions (*page 4 of the audit report*).

3. Article 100n, paragraph 4, point 3, letter "c" Information relating to material transactions. Our responsibilities for the audit of the financial statements as a whole, as described in the section of our report

'The auditor's responsibilities for the audit of the financial statements', include assessing whether the financial statements present material transactions and events in a manner that achieves a fair presentation. Based on the audit procedures we have carried out in relation to the material transactions underlying the financial statements for the year ended 31 December 2025, no facts, circumstances or other information on the basis of which we could conclude that there are instances of material misstatement and non-disclosure in accordance with the applicable requirements of IFRS as adopted by the European Union. The results of our audit procedures relating to the Company's transactions and events material to the financial statements have been considered by us in the context of forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on these material transactions (*page 5 of the auditor's report*). **The representations made in this statement should be considered solely** in the context of the audit report issued by us following the independent financial audit of the annual stand-alone financial statements of Telematic Interactive Bulgaria AD for the financial year ended 31 December 2025 , with the audit report dated 31 March 2026 . This statement is intended solely for the addressee specified above and has been prepared solely and exclusively to comply with the requirements set out in Article 100n(4)(3) of the Public Offering of Securities Act (the Public Offering of Securities Act) and should not be regarded as a substitute for our conclusions contained in the audit report issued by us on 31 March 2026 with regard to the matters covered by Article 100n(3) of the Public Offering of Securities Act.

Grant Thorton OOD

Audit firm No 32

Mariy Apostolov
General Manager
Registered auditor in charge of the engagement

MARIY GEORGIEV APOSTOLOV

Digitally signed by MARIY GEORGIEV APOSTOLOV
Date: 2026.03.31 14:44:19 +03'00'

31.03.2026
Sofia, Bulgaria