TELEMATIC INTERACTIVE

CONSOLIDATED
QUARTERLY MANAGEMENT ACTIVITY REPORT
as at 31 MARCH 2026

I. GENERAL COMPANY INFORMATION

Operational profile

Telematic Interactive Bulgaria AD (LEI 254900MAXRCO8KWAYC84) was incorporated on 30 June 2021 following the transformation of Telematic Interactive Bulgaria EOOD.

The Company is registered in the Register of public entities and other securities issuers kept by the Financial Supervision Commission (FSC). Its shares were registered for trade on Bulgarian Stock Exchange AD (BSE) on 22 March 2022, with exchange code TIB.

II. MAIN DEVELOPMENTS IN THE REPORTING PERIOD

In Q1 2026, the online gambling market reached maturity but continued to grow at a rapid pace. This has also had a positive effect on the revenue of Telematic Interactive Bulgaria AD since the start of the year, with the company successfully retaining existing customers and expanding its customer base. In this environment, TIB AD is reporting positive growth rates, with casino games being the main source of growth during the period. Sports betting is close to the levels seen in the previous year, mainly due to lower activity in sporting events. This is partly due to the company's ongoing commitment to improving its product and service quality, which enables it to retain and expand its market position. Casino games are the main driver, whilst the sports betting segment is also developing actively.

In the casino games sector, work continued on product improvement, with new providers offering attractive and unique games being added. TIB AD 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.

Positive growth was also reported in the B2B segment, both organically from existing products and content, and as a result of acquisitions that added new games and platforms – including gaming content – as well as new platforms for live gaming and sports betting.

Telematic Interactive Bulgaria AD acquired 607,155 shares, representing 51 per cent of the share capital of 7MOJOS INTERACTIVE EOOD. The transaction has a total value of EUR 3,000,000, which will be paid in three instalments of EUR 1,000,000 over 12 months. The acquired company holds exclusive intellectual property rights to the specialised online betting 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 transaction will contribute to the expansion of TIB AD's portfolio and an increase in the range of products offered to customers.

Investments in expanding market positions in Peru are continuing. To finance its operations in January 2026, Telematic Interactive Bulgaria AD increased the capital of its subsidiary TIB Consult S.A.C. by PEN 3,000,000, equivalent to EUR 764,700, of which EUR 427,000 had been paid up as at 31 March 2026. The company is successfully gaining ground in the local market, with the increase in revenue whilst maintaining the level of investment having a positive impact on the financial results.

The positive trend in the Kenyan operation continues, with revenue growing steadily and the financial results enabling the business to develop organically without the need for additional funding from TIB AD.

Telematic Interactive Bulgaria AD has entered into a lease agreement with CT Interactive EOOD for an online streaming studio, including workspaces, ancillary facilities and equipment. The monthly rent is EUR 24,098.87 including VAT. The agreement is for a term of 5 years.

CT Interactive EOOD has entered into a contract with CT Gaming EAD for the development of mathematical models and game graphics for 21 online games. The total value of the deal is EUR 420,000 excluding VAT, with the work to be carried out in stages by 31 December 2026.

Telematic Interactive Bulgaria AD has entered into a loan agreement for EUR 231,922 with Telematic Sport AD for the development of its product range.

Operating results

Revenue

Revenue from core operations in Q1 26 amounted to EUR 19.1 million (Q1 25: EUR 16.6 million), representing an increase of 14.9%. Revenue is derived entirely from core operations – online betting and content provision. Over the past six months, measures have been taken to optimise product offerings and bonus and promotional offers to customers, which are key to attracting and retaining customers and have a significant impact on cost efficiency. This has had a favourable impact on both the acquisition of new customers and the retention of existing ones. The increased capacity in the B2B segment has a positive impact on the positioning and promotion of gaming content, which in turn has a positive effect on revenue.

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 holds a strong position and enjoys competitive advantages in slot games, where revenue remained stable during the quarter and accounted for the lion's share – 91% of total revenue. This segment was the main driver of revenue growth, rising by 14.2% compared with the first quarter of 2025 to EUR 16.1 million.

On a consolidated basis, revenue is generated from three main areas: casino games (slot games, live casino game streaming, etc.), sports betting (sports results, sporting events) and gaming content. "Telematic Interactive Bulgaria" AD holds a strong position and enjoys competitive advantages in slot games, where revenue has been growing since the start of the year and accounts for the lion's share – 85.4% of total revenue. Revenue for the period amounted to BGN 16.3 million (Q1 2025: BGN 14.1 million), an increase of 15.4% year-on-year, with improved growth rates reported in Bulgaria and Peru during the period. In a highly competitive environment, the company continues to successfully attract new customers, whilst successfully retaining existing ones through a broad portfolio of games, good customer service and active communication with customers.

Revenue from sports betting accounted for 8.7% of total operating revenue and remained at the previous year's level of EUR 1.7 million (Q1 25: EUR 1.7 million), negatively impacted by lower activity at sporting events in Bulgaria, offset by increased revenue in the segment in Peru. Revenue from sports betting typically exhibits significant volatility on a monthly basis, due to its dependence on individual events and statistical trends in results, which normalises over a longer period.

Structure of operating income

In BGN'000	Q1 24	Q1 25	Q1 26	Variance 25/24	Variance 26/25
Casino games	13,854	14,106	16,279	1.8%	15.4%
% of income	88.4%	85.0%	85.4%		
Sports betting	1,201	1,657	1,662	38.0%	0.3%
% of income	7.7%	10.0%	8.7%		
Provision of gaming content	613	790	896	28.9%	13.4%
% of income	3.9%	4.8%	4.7%		
Other income	11	32	216	186.4%	570.6%
% of income	0.1%	0.2%	1.1%		
Total income	**15,679**	**16,585**	**19,053**	**5.8%**	**14.9%**

The year-on-year increase in revenue is attributable to both the rise in average revenue per customer and the increase in the average monthly number of active customers. This improvement in the trend is the result of new customer offers, which have helped to attract new subscribers. Active customers reached an average of 97.6 thousand per month in Q1 26, representing a 4.5% year-on-year increase.

Average revenue per customer rose by 8.5% year-on-year since the start of the year, positively influenced by the improved structuring of bonus campaigns.

In Q1 26, the churn rate stood at -2%, a result of the active communication strategy and new campaigns, which had a positive impact on customer retention and the reactivation of churned customers. The focus on customer service remains (significant investment is being made in capacity and staff training at the customer service centre) as does the use of a highly functional CRM system (Customer Relationship Management system) – this enables us to adopt a personalised approach when targeting our customer base. In this way, we 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 introduction of new features, products and offers, this has resulted in the churn rate being maintained at consistently low levels over the last quarter.

The conversion rate fell to a monthly average of 54% in Q1 26, whilst remaining high and stable over the last 12 months. Significant positive contributions have come from substantial investments, which have led to an overall improvement in the product across all aspects – interface, user experience, features and software optimisations. The decline in this metric is due to increased competition and market saturation.

As a result of this policy, the churn rate is below the industry average. The favourable level of this indicator is due to the reactivation of inactive customers, thanks to vigorous efforts on the part of the company. At the same time, the long-term retention of active customers is the result of measures taken to continuously improve the product offering, meet customer needs for diverse content and service, and provide attractive promotional programmes.

Indicators related to the client base

	Q1 24	Q1 25	Q1 26	Variance 25/24	Variance 26/25
Average revenue per client	99,145	93,414	97,571	-5.8%	4.5%
Conversion rate*	51	56	61	11.1%	8.5%
Dropout rate**	68%	81%	54%	19.1%	-33.3%
Average revenue per client	13%	12%	-2%	-4.6%	-116.1%

** 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.*

Operating expenses

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 nearly 9/10 of total 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 respective supplier's games), including its own content. Alongside the increase in revenue, expenditure on game providers has also risen – by 3.7% to EUR 2.4 million (Q1 25: EUR 2.3 million). This increase is below the rate of revenue growth, as a result of optimising promotional terms in contracts with providers and the increased share of proprietary content.

During the reporting period, *advertising and marketing costs* rose by 15.7% to EUR 3.9 million (Q1 25: EUR 3.3 million). Marketing expenditure is a key tool for maintaining market position and has been negatively affected by increased competition and rising prices on certain marketing channels. A positive effect has resulted from the reduction in affiliate costs following the scaling back of digital advertising.

Payment service costs relate to the fees charged by banks and payment operators for accepting deposits and disbursing funds 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 trend towards optimising fee costs is reflected in a slower rise in transaction costs relative to revenue, with a 14.6% increase in Q1 26 to EUR 1.6 million (Q1 25: EUR 1.4 million) as a result of optimising terms and conditions, which reduced the volume of deposits and withdrawals whilst maintaining revenue.

Other expenses remained stable year-on-year, totalling EUR 1.6 million compared with EUR 1.5 million in Q1 25. The completion of investments in some of the new projects (which are recognised as current expenses) and the focus on cost optimisation enabled TIB AD to achieve revenue growth whilst keeping a large proportion of operating expenses under control.

Expenditure on software services rose by 15.4% to EUR 508,000 (Q1 25: EUR 440,000). This item includes fees for the customer relationship management system and for customer communications, with expenditure linked to the size of the customer base. The increase is due to the expansion of operations in Peru.

Communications service costs (internet and hosting) rose by 9.8% to EUR 324,000 and relate to the internet traffic required to operate the live casino and utilise streaming services.

Other operating expenses consist of a government fee for maintaining an online gambling operator's licence amounting to EUR 3.7 million (Q1 25: EUR 3.3 million), which is statutorily set as a percentage of revenue generated. This category also includes additional prizes and gifts for customers, which fell by 35% to €32,000 as a result of scaling back an advertising campaign featuring exceptional additional prizes. 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, fell by 26% compared with the previous year to EUR 212,000 (Q1 25: EUR 331,000).

Structure of the operating expenses

In BGN'000	Q1 24	Q1 25	Q1 26	Variance 25/24	Variance 26/25
Cost of materials	40	65	55	60.8%	-15.3%
Hired services expense	8,123	8,056	9,085	-0.8%	12.8%
Employee benefits expense	1,520	2,272	2,502	49.4%	10.1%
Other operating expenses	3,531	3,711	3,974	5.1%	7.1%
Depreciation and amortization expense	248	386	658	55.1%	70.7%
EBITDA	**2,465**	**2,481**	**3,437**	**0.7%**	**38.5%**
Net profit for the period	**2,071**	**1,851**	**2,639**	**-10.6%**	**42.6%**

Personnel expenses rose by 10.1% to EUR 2.5 million (Q1 25: EUR 2.3 million), negatively impacted by the increase in staff numbers in the B2B segment and in Peru, partly offset by optimisation of the remuneration structure and internal organisation in the B2C segment in Bulgaria.

Net profit for the period amounted to EUR 2.6 million (Q1 25: EUR 1.9 million), representing a year-on-year increase of 42.6%, driven by a return to revenue growth and cost optimisation. Net profit margin rose to 13.9% (Q1 25: 11.2%).

Balance sheet position

As at 31 March 2026, cash and investments in money market instruments amounted to EUR 13.7 million, or 32% of total assets. The company's non-current financial assets as at 31 March 2026 amounted to EUR 24.2 million, an increase of EUR 6.2 million since the start of the year, resulting from the acquisition of a 51 per cent stake in 7Mojos Interactive Ltd. The remaining non-current assets comprise the lease agreement (right-of-use assets) and non-controlling interests.

Interest-bearing liabilities amounting to EUR 1 million as at 31 March 2026 relate to the accounting treatment of the lease agreement for office space in accordance with IFRS 16. Current liabilities amount to EUR 14.4 million as at 31 March 2026, including EUR 2.3 million in distributed dividends and EUR 4.4 million in liabilities arising from the acquisition of investments. The remaining liabilities relate to suppliers and taxes, which are settled within one month of being accrued, and to client funds on deposit.

Cash flows

Net cash flow from operating activities for the reporting period amounted to EUR 2.7 million, compared with EUR 1.5 million for Q1 25, as a result of the company's improved operating performance, partly offset by an increase in working capital.

Net cash flow from investing activities, excluding cash management operations, was EUR -645,000, relating to the payment for the acquisition of controlling interests.

Corporate events

On 27 March 2026, an extraordinary general meeting of shareholders was held, at which a resolution was passed to distribute a dividend of EUR 2,302,863.66, or EUR 0.18 per share.

III. DESCRIPTION OF THE MAIN RISKS FACED BY THE COMPANY

Gambling is a sensitive social and political topic, which results in frequent changes in regulations, the imposing of stricter control, additional taxes and fees, new technical requirements, restrictions. Despite the complex and sensitive nature of the activity, the trend is for movement towards a stable and well-controlled regulatory framework, and more and more countries pass or elaborate their regulations. Respectively, Telematic Interactive Bulgaria AD operates in an environment of complex regulations affecting its activity, which are constantly evolving, often towards stricter requirements, and in some seldom cases certain countries have imposed complete bans on gambling. An additional risk is the fact that online gambling globally is a new sector that has recently developed, and respectively, the legislation is immature, lacking in sufficient precedents, which poses the risk that control over the regulations may be unclear and controversial. In Bulgaria, the regulatory framework is well-developed, since online gambling has been regulated since 2013 and there is experience therein, therefore, the regulatory risk is low. In the future, as the Company enters new markets, this risk may be significantly higher for some of the countries, but operating on multiple market reduces this risk, since adverse regulatory changes simultaneously on several markets is unlikely.

Another action towards reducing regulatory risk is entering the B2B segment, where this risk is limited, due to operation on multiple markets, and the risk is borne by the respective operator rather than by the gaming supplier.

Apart from an activity subject to licensing and the resulting additional requirements to operations, the Company is also subject to other regulations related to personal data protections, measures against money laundering/funding terrorism and anti-corruption. Implementation and compliance with these regulations involve significant human and financial resources and compliance is key to the Company's operations.

License revocation

The main risk is of license revocation, which would result in discontinuing operations in the respective jurisdiction (at the Prospectus' date – only Bulgaria). The Regulator may invoke the license upon non-payment of taxes, violation of statutory requirements, gross violation of legislation, etc. Telematic Interactive Bulgaria AD has introduced an internal control system that ensures compliance with legal requirements and minimizes this risk.

Non-compliance with technical requirements

The Bulgarian Regulator, represented by the National Revenue Agency, requires real-time data exchange. Non-compliance with this requirement constitutes grounds for license revocation. Telematic Interactive Bulgaria AD has introduced the necessary systems to ensure continuous connection, and timely signalization in case of problems, as well as procedures for timely reaction.

Taxation and fees

The taxes paid by Bulgarian entities include corporate tax, local taxes and fees, value added tax, excises, export and import duties. For the Group's financial result, it is important that the current taxation regime be preserved. Currently, corporate tax in Bulgaria is 10%. Apart from tax regulations applicable to principal business activities, Telematic Interactive Bulgaria AD is also subject to specific requirements, such as a monthly license fee of 20% of the difference between the bets placed and the profits paid out. The state taxes and fees form the main portion of expenditure, and respectively, stricter regulations would have a material impact on the financial result. 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 taxation system in the countries where the Company plans to expand operations is still developing, as a result there is a potential risk of controversial taxation practices and the introduction of new or increase of existing taxes and state.

Personal data protection

The General Data Protection Regulation has been effective since 2018 and is binding for all organisations that collect and process personal data. Telematic Interactive Bulgaria AD is obliged to identify all of its clients and to store their data. Handling clients' funds and collecting personal data requires very high standards on information security and database protection. Measures have been introduced for the effective protection of the personal data processed and a possibility for exercising data subjects' rights, and has adopted Internal Rules on Personal Data Protection. There are procedures regulating the methods for complaints, data transferability, transparency in the processing of personal data, managing data subjects' requests, receiving consent, notification in case of security breach, document storage and destruction, as well as a number of other measures to ensure the security of personal data.

Frequent or material changes to the regulatory environment increase the costs for compliance and may impact revenue and profit. The regulations are also related to high sanctions in case of non-compliance, and in certain cases – to license revocation. Telematic Interactive Bulgaria has built a team responsible for developing and updating rules and policies ensuring compliance with regulatory requirements. It is the management's main priority that they be introduced and applied, and each employee undergoes a training related to the respective procedures.

Although this is related to significant compliance costs, there is a material positive effect for the Company. Strict regulations enhance trust in the business on the part of society and clients and restrict unfair competition by the companies applying low standards for client protection and care.

Measures against money laundering

The regulations related to the prevention of money laundering and funding terrorism have been in the focus of European policy over the last few years and are rapidly developing. Gambling has been identified as a segment of high risk and is respectively subject to strict monitoring and regulation. The operators are obliged to identify each client, monitor and report potential high-risk transactions. A problem in the identification and dealing with such cases may expose the Company to a significant risk of sanctions and affect its reputation. A beneficial fact is that since the Company is an online operator, transactions are performed electronically and involve mostly small amounts.

Increased restrictions on advertising

The advertising of games of chance in the mass media is subject to regulations and restrictions. Increased restrictions would limit Telematic Interactive Bulgaria's abilities to position itself and attract new clients through these channels. In order to minimize this risk, Telematic Interactive Bulgaria also develops alternative methods for positioning and attracting clients. On the other hand, restrictions in advertising and the established capacity of regulators, the Electronic Media Board and the NRA to exercise control does not allow unlicensed operators to promote, which restricts unfair competition. The restrictions on gambling advertising, which came into force in 2024, did not have a negative impact on the company's operations; in some respects, they even had a positive effect.

Political risk

This is the risk resulting from political processes in the country – risk of political destabilization, changes in government, in legislation, in the country's economic policy and taxation system. Political risk is directly dependent on the probability for adverse changes in the government's policy; as a result, there is a risk of adverse changes in the business climate.

The reasonable fiscal policy and moderate deficit maintained facilitate the minimization of political risk as a whole and the lack of any declared intentions by political parties to make significant adverse changes to the regulations affecting the Company's operations, suggest that the level of this risk is currently low. Nevertheless, the current political situation does not make it possible to identify predictable majority and respectively – a clear forecast on future policies, due to which significant changes are possible. The negative consequences therefrom may result in delay in reforms due to differences and contradictions between the political parties with respect to major social and economic measures, as well as further increase of public discontent. The possible adverse effects therefrom are usually related to aggravated economic environment and perspectives among the companies operating in the country.

The planned expansion into new markets will on the one hand diversify positioning, due to the insignificant probability of adverse events occurring in several jurisdictions simultaneously, but on the other hand it will expose Telematic Interactive Bulgaria AD to a risk of the policies applied in the respective countries.

Macroeconomic risk

The clients of Telematic Interactive Bulgaria EAD are from all regions in the country and from all economic and social groups of the population. Respectively, the Company's activity is very much dependent on overall economic growth, the general condition of the business environment and particularly on consumer trust, respectively – end consumption. A potential shrinking of income and employment would result in a negative trend in the Company's revenue and profit. The Group plans to diversify this risk by expanding its operations into other countries.

The current overall macroeconomic situation, characterised by 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, coupled with the tense political situation, present significant risks and uncertainties regarding economic development.

Inflation risk

The price risk is related to the overall level of inflation in the country and to the level of competition. The risk of inflation increase results in depreciation of the investments made or the value of savings over time. In view of the country's commitments and willingness to become member of the European Monetary Union (EMU) and the related inflation requirements – measures may be expected on the part of BNB and the government to harness the inflation within the necessary limits (Maastricht Criteria for EMU membership).

Inflation has been contained in recent years, and is continuing to drop. The nature of the business, with virtually all current payments, exposes Telematic Interactive Bulgaria AD to minimal inflation risk. A negative effect would be to maintain current levels for a prolonged period, which would limit households' disposable income. A significant moderating effect of this risk is the linking of costs to revenues - over ¾ of operating costs are linked to revenue and are therefore unaffected by changes in price levels. A significant effect on costs is seen in the direction of wage increases, which is also due to the tight labour market.

Foreign currency risk

Foreign currency risk is related to Group companies' proceeds and expenditure denominated in foreign currencies. At present, the Company's revenue and expenditure is in EUR, but as it fulfils its plans for expansion, the share of revenue and expenditure denominated in foreign currencies is expected to increase, which would expose the Group companies to a certain foreign currency risk. This risk is mitigated by the fact that expenditure denominated in a foreign currency is calculated as a percentage of revenue, i.e. the risk is mainly on the EUR equivalent of revenue, but this would have a very limited impact on the profit margin. Also, cash is held in EUR and is therefore not exposed to currency risk.

The expansion into new markets will significantly increase transactions in currencies other than EUR. In the future, changes in exchange rates would result in certain currency risk and may impact the Company's results.

Increased competition

The widespread adoption of digital services and the market growth are attracting the interest of a continuously growing range of new clients. After the rapid development of the sector in the period 2020-2022, when a large number of new operators entered, there are no significant changes in the competitive environment in Q1 2026. So far, this has not affected the dynamics of the business and Telematic Interactive Bulgaria AD has maintained its growth rates, but may have a significant impact in the future. Marketing expenditure in the sector usually has a bigger share in the cost structure and is key to customer attraction and retention. As new competitors enter the market, the relative share of expenditure is expected to increase, which might impact the Group companies' profitability.

Credit risk/risk of counterpart's default

This is a risk of Group companies' counterparts defaulting payment obligations. Due to the specifics of the business, clients deposit funds in their accounts in advance, and Telematic Interactive Bulgaria AD has minimum receivables from clients. The credit risk is mainly related to keeping significant own and clients' funds with financial institutions. In order to minimize this risk, Telematic Interactive Bulgaria AD only works with payment operators and banks with proven record and repute. It has established real-time information exchange systems and execution guarantee systems. In the case of CT Interactive EOOD, the payment obligation arises in the month following the generation of revenue and bears the risk of non-payment in case of financial difficulties of the client. The possibility for restricting use of the games provided in case of non-payment limits potential losses.

Market dominance of suppliers

In certain sectors and markets there are suppliers, for instance, content suppliers and payment operators, which have significant market influence and may impose tariffs exceeding market levels. A unilateral increase of the prices of such suppliers might adversely impact profit.

Unfair competition

Operational on the market are also a significant number of illegal operators, who do not hold licenses and do not pay the taxes and fees for licensing of gaming content. Due to the high taxes and administrative requirements, this grants them an advantage compared to legal operators, in terms of better promotions and higher client discounts.

Game errors

As a supplier of gaming content, the subsidiary CT Interactive EOOD is financially liable if as a result of errors in the games provided the gambling operator or distributor incurs losses (for instance, the game pays out abnormal gains). Each game is subject to detailed check and testing, including by internationally recognized independent labs, as a result of which this risk is kept to a minimum. Usually the compensation due is limited to the revenue generated by CT Interactive EOOD from the counterpart for a certain period, or to a fixed maximum amount. In the future, this risk will be additionally mitigated by concluding an insurance contract.

Copyright

This risk is not directly applicable to Telematic Interactive Bulgaria AD, but is applicable to its subsidiary, CT Interactive EOOD. The distributed games contain audio and visual content, graphic items, trademarks, etc. that may be subject to copyright. The use of such protected content without the necessary permissions might result in financial claims by the parties affected. This risk is low, as far as the use of copyright-protected content is limited and in accordance with statutory requirements.

Liquidity risk

Liquidity risk is the risk of the Group companies not meeting their current payables. Telematic Interactive Bulgaria AD maintains high liquidity levels, and its assets constitute almost entirely cash. Payables are mainly formed by clients' deposits and trade payables to suppliers. The cash maintained exceeds the amount of current payables, which exposes Telematic Interactive Bulgaria AD to minimum liquidity risk.

IT security and cyber attacks

Risk of unauthorized access, interruption, modification, unauthorized use or destruction of databases, overload of the network capacity, service suspension, etc. Such attacks may have an adverse effect on the Company's reputation and result in loss of clients and financial damages. Therefore, Telematic Interactive Bulgaria AD has taken preventive steps, applying strict policies and maintaining the highest standards in the area of security. Telematic Interactive Bulgaria AD is certified (through its subsidiary CT Interactive EOOD) under ISO 27001:2013 issued by TUV Reinland – a standard on security of information upon trade, creation and distribution of online products. It maintains professional and technical capacity to continuously monitor and respond to attempted compromises of the online infrastructure.

Loss of key management or technical staff

The loss of key employees might have an adverse impact on future development. The Company has its own platform (the rights thereon are held by the subsidiary CT Interactive EOOD), on which the entire operations are based. This on the one hand ensures control over the key asset and high flexibility, but the loss of key staff or subcontractors responsible for the platform's maintenance and development might result in aggravated product quality and/or delay of development thereof, which would have a very negative impact on operations. The Company aims to limit this risk by attracting and incentivizing employees with policies and practices that allow their continuous training and development and remuneration based on the results achieved.

Risk related to payment processing

Telematic Interactive Bulgaria AD works with a large number of banks and payment operators and receives and pays significant amounts to clients. The client payment procedures agreed with the payment service providers are a key factor for client satisfaction. The default of payment transfers due to financial or technical issues would adversely impact the Company's reputation and might result in lower client trust and financial losses. Telematic Interactive Bulgaria AD minimizes the risk by working only with well-established operators, performing an in-depth survey, and offering different payment methods from licensed payment operators to ensure effective and secure payment services. The Company follows established procedures for client check and verification, in line with the best verification practices and standards.

Business continuity and disaster recovery

This is the risk of internal and external events that might result in suspension of operations. Telematic Interactive Bulgaria AD has developed and introduced an infrastructure, systems, processes and rules in order to minimize this risk and ensure business continuity. It maintains spare capacity, such as back-up of key system elements, including key services from approved suppliers to ensure the storage and quick recovery of operations in case such events occur.

Risk of gaming fraud

This risk is mainly in the segment of sport betting, where there could be fraud and manipulation, for instance of sports results. Telematic Interactive Bulgaria AD has a strict risk management system that monitors unusual actions and allows for preventive reaction. Slot games, which constitute most of the revenue, do not allow manipulation of bets and gains and the risk of fraud in casino games is insignificant. In this segment, there is a risk management system, too, which monitors and limits the potential adverse effect of fraud. The risk of fraud at an amount that would have a significant adverse impact on the financial results is limited.

Risk related to problem gambling

Betting may result in addiction for some clients. Telematic Interactive Bulgaria AD has introduced a system that strictly follows the adopted guidelines on responsible gaming, informs and allows clients to limit their gaming. This risk might impact the Company's reputation, and a breach of the adopted rules on responsible gaming may result in sanctions by the Regulator. The Company applies an active policy to position itself as an entertainment and responsible gaming provider and makes efforts to support clients at risk.

Geopolitical conflicts

Geopolitical instability and the outbreak of armed and/or political conflicts in the region and internationally may have an adverse effect on TIB'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 TIB 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 commodity prices would result in a decline in economic activity, rising unemployment and inflation. Rising inflation could lead to a loss of real purchasing power and limit the potential for generating revenue, or result in increased 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, TIB's management does not envisage any immediate steps to launch business operations in Ukraine.

Risk related to climate changes

Climate change may adversely affect 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 cause damage to 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 related to change in interest rates

In Q1 26, inflation remained above target levels. The European Central Bank (ECB) cut its key interest rate slightly by 0.25 per cent. The increase in interest rates may impact the Company's operations in several directions:

1. Increase in loan costs. When central banks increase interest rates, banks usually increase loan interest rates, which may result in higher loan costs for companies. If the Company relies on loans to finance its operations, the higher loan costs may result in lower profit and restricting of investments. As at 31 March 2026 TIB has no loan payables and the Company is not exposed to the risk of increase in loan costs.

2. Reduced financing abilities. If the Company needs new loans to finance its growth, higher rates might restrict it. If the Company's investors believe that higher loan costs will reduce the Company's profits or will limit its ability to repay its loans, they may be less willing to invest. TIB generates significant cash flows from operations and as at the date of the financial statements has sufficient reserve of disposable cash to use for financing its operations and future investment plans.
3. The risk of change in interest rates may indirectly impact the Company's revenue, since higher interest rates mean more expensive loans for consumers, which may reduce disposable income.
4. TIB holds fixed-income financial instruments at the amount of EUR 2.6 million as at 31 March 2026. These financial instruments include investments in money market instruments. Financial instruments are measured at fair value through profit and loss in the income statement. Since the change in interest rates has a direct impact on their amount, they also impact the final financial result. The link between interest rates and the price of fixed-income instruments is one of reverse proportionality – when interests grow, the prices of fixed-income instruments, all other conditions being equal, decrease. The fall in interest rates at the end of 2024 had a negative impact on investment income.

TELEMATIC

INTERACTIVE

Interim Consolidated Financial Statements

As at 31 March 2026

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31.03.2026 EUR'000	31.12.2025 EUR'000
Intangible assets	2	19,814	13,430
Goodwill		314	314
Property, plant and equipment	3	2,072	2,227
Investments accounted for using the equity method		1,185	1,185
Non-current financial assets	6	153	153
Non-current receivables from related parties	16.5	584	568
Deferred tax assets		118	118
Non-current assets		**24,240**	**17,995**
Trade receivables and contract assets	4	764	600
Advances paid and other assets	5	3,412	3,328
Financial assets at fair value	6	2,576	2,565
Short-term receivables from related parties	16.5	1,216	1,198
Cash and cash equivalents	7	11,131	10,793
Current assets		**19,099**	**18,484**
Total assets		**43,339**	**36,479**
Equity and liabilities			
Share capital	15	6,524	6,544
Reserves		7,754	7,828
Retained earnings		5,983	1,775
Current financial result		2,650	6,495
Equity held by the parent		**22,911**	**22,642**
Non-controlling interest		4,991	2,080
Total equity		**27,902**	**24,722**
Lease liabilities		459	533
Non-current liabilities under loans obtained		269	162
Non-current liabilities		**728**	**695**
Lease liabilities		281	277
Trade and other payables	8	2,516	2,628
Dividend payable	16.5	2,303	1,636
Payables to personnel		1,143	1,173
Payables for investments		4,439	1,500
Payables to related parties	16.5	41	374
Income tax payable		422	92
Other tax liabilities	9	1,475	1,514
Client deposits		2,089	1,868
Current liabilities		**14,709**	**11,062**
Total liabilities		**15,437**	**11,757**
Total equity and liabilities		**43,339**	**36,479**

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31.03.2026	31.03.2025
		EUR’000	**EUR’000**
Revenue from bets and provision of gaming content	10	18,837	16,553
Revenue from sales of assets and services	10	212	7
Other revenue	10	4	26
Cost of materials	11	(55)	(65)
Hired services expense	2,3	(9,085)	(8,056)
Depreciation and amortization expense – non-financial assets	12	(658)	(386)
Employee benefits expense	13	(2,502)	(2,272)
Other expenses		(3,974)	(3,711)
Profit from operations	10	**2,779**	**2,096**
Finance income	14	159	46
Finance costs	14	(31)	(50)
Profit before taxes		**2,907**	**2,092**
Income tax expense		(329)	(241)
Profit for the year		**2,578**	**1,851**
Foreign exchange gains/losses on restatement of foreign operations		(11)	(9)
Other comprehensive income		**(11)**	**(9)**
Total comprehensive income for the period		**2,567**	**1,842**
Profit for the year attributable to:			
Holders of the equity of the parent		2,650	1,851
Non-controlling interest		(72)	-
Total comprehensive income attributable to:			
Holders of the equity of the parent		2,639	1,842
Non-controlling interest		(72)	-
Share income		**EUR 0.21**	**EUR 0.14**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31.03.2026 EUR'000	31.03.2025 EUR'000
Operating activities			
Bets placed by clients		80,179	70,569
Profits paid and deposits reimbursed		(61,994)	(54,906)
Proceeds from sales of services to customers		902	826
Payments to suppliers		(9,738)	(8,867)
Payments to personnel and for social security		(2,461)	(2,248)
VAT paid/recovered, net			
Gambling tax payments		(5)	66
Other cash flows, net		(3,712)	(3,463)
Net cash flow from operations		(425)	(485)
Investing activities			
Loans granted		(54)	(592)
Purchases of non-current assets		(645)	(589)
Interest received		-	2
Net cash flow from investing activities		**(699)**	**(1,179)**
Financing activities			
Dividend payments		(1,636)	(1,851)
Lease payments		(92)	(83)
Treasury shares purchases		(70)	(247)
Loans obtained		106	-
Net cash flow from financing activities		**(1,692)**	**(2,181)**
Foreign currency restatement		**(17)**	**(18)**
Net change in cash and cash equivalents		**338**	**(1,886)**
Cash and cash equivalents at the beginning of the year		10,793	14,434
Cash and cash equivalents at the end of the year	**7**	**11,131**	**12,548**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share capital EUR'000	Issue premia reserve EUR'000	Statutory reserves EUR'000	Reserve from restatement of foreign operations EUR'000	Reserve from share-based transaction EUR'000	Retained earnings EUR'000	Equity attributable to holders of the parent EUR'000	Non-controlling interest EUR'000	Total equity EUR'000
Balance at 1 January 2025	**6,609**	**7,729**	**665**	**81**	**-**	**9,875**	**24,959**	**-**	**24,959**
Dividends	-	-	-	-	-	(8,070)	(8,070)	-	(8,070)
Treasury shares	(69)	(1,433)	-	-	-	-	(1,502)	-	(1,502)
Share-based payment	4	77	-	-	(81)	-	-	-	-
Setting aside reserves for share-based transactions	-	-	-	-	781	-	781	-	781
Transactions with owners	**(65)**	**(1,356)**	**-**	**-**	**700**	**(8,070)**	**(8,791)**	**-**	**(8,791)**
Profit for the period	-	-	-	-	-	6,495	6,495	(46)	6,449
Other comprehensive income	-	-	-	9	-	(30)	(21)	-	(21)
Total comprehensive income for the period	**-**	**-**	**-**	**9**	**-**	**6,465**	**6,474**	**(46)**	**6,428**
Business combinations	-	-	-	-	-	-	-	2,126	2,126
Balance at 31 December 2025	**6,544**	**6,373**	**665**	**90**	**700**	**8,270**	**22,642**	**2,080**	**24,722**
Balance at 1 January 2026	**6,544**	**6,373**	**665**	**90**	**700**	**8,270**	**22,642**	**2,080**	**24,722**
Dividends	-	-	-	-	-	(2,303)	(2,303)	-	(2,303)
Treasury shares	(4)	(66)	-	-	-	-	(70)	-	(70)
Share-based payment	-	3	-	-	-	-	3	-	3
Difference on currency restatement of subscribed capital	(16)	-	-	-	-	16	-	-	-
Transactions with owners	**(20)**	**(63)**	**-**	**-**	**-**	**(2,287)**	**(2,370)**	**-**	**(2,370)**
Profit for the period	-	-	-	-	-	2,650	2,650	(72)	2,578
Other comprehensive income	-	-	-	(11)	-	-	(11)	-	(11)
Total comprehensive income for the period	**-**	**-**	**-**	**(11)**	**-**	**2,650**	**2,639**	**(72)**	**2,567**
Other changes	-	-	-	-	-	-	-	2,983	2,983
Balance at 31 March 2026	**6,524**	**6,310**	**665**	**79**	**700**	**8,633**	**22,911**	**4,991**	**27,902**

Notes to the interim consolidated financial statements

1. Basis of consolidation

The subsidiaries included in the consolidation are as follows:

Subsidiary name	Principal activities	Country of incorporation	31.03.2026		31.03.2025	
			EUR'000	Interest (%)	EUR'000	Interest (%)
CT Interactive EOOD	provision for use and rental, creation, modification and development of new software products for online games	Bulgaria	7,291	100	7,291	100
Miland Games OOD	development, maintenance, modification, distribution, licensing and provision of gaming software, software and online access	Bulgaria	409	60	409	60
Telematic Sport AD	research and development of software for sports betting platforms, leasing of software products	Bulgaria	3,000	60	3,000	60
7Mojos Interactive OOD	research and development of software for sports betting platforms, and the leasing of software products	Bulgaria	3,000	51	-	-
Palmsbet Curacao B.V.	online casino platform and sports betting	Curacao	312	100	306	100
TIB Consult Sociedad Anonima(TIB Consult S.A.C.)	online casino platform payment operator	Peru	3,388	99	2,961	99
			17,400		**13,967**	

For the purposes of preparing these interim consolidated financial statements, investments in subsidiaries, as well as transactions and settlements with them during the reporting period, have been eliminated.

On 17 February 2026, the Group acquired control of 7Mojos Interactive OOD, with its registered office at 7 Kukush Street, Sofia, Bulgaria, by purchasing 51% of its share capital and voting rights. The acquisition of control over 7Mojos Interactive OOD was carried out with the aim of acquiring software for live casino game streaming, as well as new games and functionalities in the online gambling sector.

The company was registered in September 2025 and, up to the date of acquisition, had been developing and offering streaming software and games.

As a result of the business combination, the Group recognised a profit of EUR 103,000, reported as financial income in Note 14.

2. Intangible assets

	Licenses	Slot games	Platform for online gambling operators	Platform for slot games providers	Costs for acquisition of non-current intangible assets	Other	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Gross carrying amount							
Balance at 1 January 2026	**544**	**7,582**	**2,101**	**704**	**5,579**	**110**	**16,620**
Capitalised costs for add-ons	-	-	-	-	795	-	**795**
Additions through business combinations	-	106	-	5,977	-	-	**6,083**
Balance at 31 March 2026	**544**	**7,688**	**2,101**	**6,681**	**6,374**	**110**	**23,498**
Amortisation							
Balance at 1 January 2026	**(250)**	**(2,299)**	**(495)**	**(70)**	**-**	**(75)**	**(3,189)**
Amotisation	(24)	(221)	(64)	(184)	-	(2)	**(495)**
Balance at 31 March 2026	**(274)**	**(2,520)**	**(559)**	**(254)**	**-**	**(77)**	**(3,684)**
Carrying amount at 31 March 2026	**270**	**5,168**	**1,542**	**6,427**	**6,374**	**33**	**19,814**

Gross carrying amount							
Balance at 1 January 2025	**544**	**6,155**	**1,297**	**303**	**-**	**110**	**8,409**
Capitalised costs for add-ons	-	1,460	-	-	-	-	**1,460**
Additions through business combinations	-	-	804	401	262	-	**1,467**
Disposals in the period	-	-	-	-	5,316	-	**5,316**
	-	(33)	-	-	-	-	**(33)**
Balance at 31 December 2025	**544**	**7,582**	**2,101**	**704**	**5,578**	**110**	**16,619**
Amortisation							
Balance at 1 January 2025	**(155)**	**(1,621)**	**(286)**	**-**	**-**	**(66)**	**(2,128)**
Amotisation	(95)	(681)	(209)	(70)	-	(9)	**(1,064)**
Amortisation written-off	-	3	-	-	-	-	**3**
Balance at 31 December 2025	**(250)**	**(2,299)**	**(495)**	**(70)**	**-**	**(75)**	**(3,189)**
Carrying amount at 31 December 2025	**294**	**5,283**	**1,606**	**634**	**5,578**	**35**	**13,430**

The Group’s main intangible assets consist of the one-off licence fees, both payable and paid, for Group companies under the Gambling Act, which are issued for a period of 5 years; the exclusive rights for the online distribution of the Group’s games and its online gaming platform; and licences for the manufacture, import, distribution and servicing of gaming equipment for a period of 10 years.

The Group has not pledged any intangible assets as security for its liabilities.

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

	Machinery and facilities	Computers and periphery	Furniture and fixtures	Equipment and long-term assets	PPE in progress	Vehicles	Right-of-use assets - buildings	Total PPE
	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR ‘000
Gross carrying amount								
Balance at 1 January 2026	**333**	**806**	**63**	**734**	**18**	**43**	**1,378**	**3,375**
Additions	-	7	1	-	-	-	-	8
Balance at 31 March 2026	**333**	**813**	**64**	**734**	**18**	**43**	**1,378**	**3,383**
Depreciation								
Balance at 1 January 2026	**(86)**	**(252)**	**(25)**	**(186)**	**-**	**(22)**	**(577)**	**(1,148)**
Depreciation charge	(16)	(39)	(2)	(36)	-	(2)	(68)	(163)
Balance at 31 March 2026	**(102)**	**(291)**	**(27)**	**(222)**	**-**	**(24)**	**(645)**	**(1,311)**
Carrying amount at 31 March 2026	**231**	**522**	**37**	**512**	**18**	**19**	**733**	**2,072**

	Machinery and facilities	Computers and periphery	Furniture and fixtures	Equipment and long-term assets	PPE in progress	Vehicles	Right-of-use assets - buildings	Total PPE
	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR’000	EUR ‘000
Gross carrying amount								
Balance at 1 January 2025	310	650	56	729	18	43	1,378	3,184
Additions	23	156	7	5	-	-	-	191
Balance at 31 December 2025	**333**	**806**	**63**	**734**	**18**	**43**	**1,378**	**3,375**
	(21)	(118)	(16)	(46)	-	(13)	(301)	(515)
	(65)	(134)	(9)	(140)	-	(9)	(276)	(633)
	(86)	**(252)**	**(25)**	**(186)**	**-**	**(22)**	**(577)**	**(1,148)**
	247	**554**	**38**	**548**	**18**	**21**	**801**	**2,227**

Depreciation	
Balance at 1 January 2025	
Depreciation charge	
Balance at 31 December 2025	
Carrying amount at 31 December 2025	

The Group has not pledged any property, plant or equipment as security for its liabilities.

The companies within the Group have entered into leases for offices and other premises, under the terms of which, as at 31 March 2026, they recognise right-of-use assets with a carrying amount of EUR 1,378 thousand.

4. Trade receivables and contract assets

	31.03.2026 EUR'000	31.12.2025 EUR'000
Contract assets under contracts with related parties	8	9
Contract assets under contracts with other clients	292	277
Trade receivables, gross	468	318
Expected credit losses on trade receivables	(4)	(4)
Total	**764**	**600**

The Group recognises current assets arising from contracts with customers, primarily relating to the provision of online content. The Group has provided the services to its customers, but as at the date of the financial statements, payment is not due from the customer.

5. Advances granted and other assets

	31.03.2026 EUR'000	31.12.2025 EUR'000
Advance payment for the acquisition of an investment	2,570	2,570
Prepaid expenses	295	270
Advances granted	233	279
VAT recoverable	10	7
Guarantee deposits	208	168
Inventories	-	2
Short-term loans granted and interest accrued	50	-
Other	46	32
Total	**3,412**	**3,328**

6. Financial assets at fair value

	31.03.2026 EUR'000	31.12.2025 EUR'000
Equity instruments at fair value through other comprehensive income		
Unlisted equity instruments	153	153
Non-current financial assets	**153**	**153**
Financial instruments at fair value through profit or loss		
Money market fund	2,576	2,565
Current financial assets	**2,576**	**2,565**
Total	**2,729**	**2,718**

7. Cash and cash equivalents

	31.03.2026 EUR'000	31.12.2025 EUR'000
Cash on hand	1,058	993
Cash at banks	2,065	409
Cash held with payment service providers	8,008	9,391
Cash and cash equivalents	**11,131**	**10,793**

8. Trade and other payables

	31.03.2026 EUR'000	31.12.2025 EUR'000
Trade payables	2,360	2,476
Other payables	156	152
	2,516	**2,628**

9. Other tax payables

	31.03.2026 EUR'000	31.12.2025 EUR'000
State fee under Article 30 of the Gambling Act	1,170	1,259
VAT payable	75	47
Withheld personal income tax	133	119
Withholding tax	97	89
	1,475	**1,514**

10. Revenue

	31.03.2026 EUR'000	31.12.2025 EUR'000
Revenue from betting	17,941	15,763
Revenue from the provision of online content	896	790
Revenue from the sale of assets and services	212	7
Revenue from contracts with customers within the scope of IFRS 15	**19,049**	**16,560**
Other revenue	4	26
Revenue outside the scope of IFRS 15	**4**	**26**
Total revenue	**19,053**	**16,586**

The Group recognises as betting revenue the total amount of bets placed, less amounts due to customers and the incentives it offers to its customers. The Group's realised betting revenue by type is as follows:

Revenue generated from betting, by type:	31.03.2026 EUR'000	31.12.2025 EUR'000
Casino games	16,279	14,106
Sports betting	1,662	1,657
	17,941	**15,763**

11. Hired services expense

	31.03.2026 EUR'000	31.12.2025 EUR'000
Advertising	3,856	3,333
Gaming content fees/Online gaming licence fees	2,402	2,317
Payment services	1,572	1,371
Software services	508	440
Communications and utilities	324	295
Technical support	191	52
Accounting and legal services	100	89
Consultancy services	50	104
Rent	27	19
Other	55	36
	9,085	**8,056**

12. Employee benefits expense

	31.03.2026 EUR'000	31.03.2025 EUR'000
Payroll costs	2,176	1,965
Share-based payment costs	2	-
Social security costs	324	307
Employee benefits expense	2,502	2,272

13. Other expenses

	31.03.2026 EUR'000	31.03.2025 EUR'000
Fees under the Gambling Act	3,658	3,261
Withholding tax charges	72	71
Additional non-cash and material bonuses and prizes	32	49
Other expenses	212	330
	3,974	**3,711**

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

14. Finance income and costs

	31.03.2026 EUR'000	31.03.2025 EUR'000
Interest income on financial assets at amortised cost	18	10
Gains on financial instruments measured at fair value through profit or loss	11	29
Gain on acquisition of controlling interest	103	-
Share interest income	8	-
Foreign exchange gains	19	7
Finance income	**159**	**46**

Interest costs on loans	(16)	(14)
Losses on foreign exchange restatement of payables	(15)	(36)
Finance costs	(31)	(50)

15. Share capital, dividends, and earnings per share

As at 31 March 2026, the Group's registered capital comprised 12,960,018 ordinary shares with a nominal value of EUR 0.51 each.

The structure of the share capital is as follows:

	31.03.2026 EUR'000	31.12.2025 EUR'000
Registered share capital	6,626	6,626
Treasury shares	(86)	(82)
Revaluation reserve on registered capital	(16)	-
Share capital	**6,524**	**6,544**

The Group'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. Pursuant to a resolution of the General Meeting of Shareholders dated 11 March 2024, the parent company is repurchasing its own shares; during the reporting period, a further 6,896 of its own shares were repurchased. As at 31 March 2026, the parent company held a total of 167,739 treasury shares, representing 1.294 per cent of all voting shares issued by Telematic Interactive Bulgaria AD. The repurchased shares have a nominal value of EUR 86,000, by which amount the Group's stated share capital has been reduced in the statement of financial position as at the end of the reporting period.

Share-based payment

In 2025, the parent company launched 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 accordance with the Scheme, during the reporting period the parent company transferred 272 shares to its employees, each with a nominal value of EUR 0.51 and a price of EUR 10.30 per share on the date of transfer. The 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

closing day price on the Bulgarian Stock Exchange (BSE). The Company accounts for the Programme as share-based payment transactions settled in equity instruments. The Programme was implemented entirely using treasury shares repurchased by the Company.

As at 31 March 2026, the Group's majority shareholder is Eldorado Corporation AD, 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.

Earnings per share

As at 31 March 2026, basic earnings per share were calculated on the basis of net profit available for distribution to shareholders and the Group's weighted average number of shares, as follows:

	31.03.2026	31.03.2025
Profit available for distribution (in euros)	2,650,293	1,850,677
Weighted average number of shares	12,794,000	12,915,967
Basic earnings per share (in euros per share)	**0.21**	**0.14**

During the reporting period, the parent company declared a dividend of 2,303 thousand euros pursuant to the minutes of the General Meeting of Shareholders held on 27 March 2026, and paid a dividend of 1,636 thousand euros pursuant to the minutes of the General Meeting of Shareholders held on 16 December 2025. The distributed dividend has been paid in full.

16. Related party transactions

16.1 Transactions with owners

	31.03.2026 EUR'000	31.03.2025 EUR'000
Purchases of services	22	14
Services rendered	32	-
Dividend distribution	2,303	2,308
Dividend payments	1,636	1,851
Revenue from investments (dividends)	8	-
Interest income	8	-

16.2 Transactions with joint ventures

	31.03.2026 EUR'000	31.03.2025 EUR'000
Interest accrual	2	2

16.3 Transactions with other related parties under common control

	31.03.2026 EUR'000	31.03.2025 EUR'000
Purchase of non-current assets	240	332
Purchase of services and goods	1,707	1,706
Goods and services provided	-	15
Loans granted	4	30
Interest accrued	8	61

16.4 Transactions with key management personnel

	31.03.2026 EUR'000	31.03.2025 EUR'000
Short-term benefits:		
Salaries, including:	76	96
Bonuses	-	43
Social security	3	2
Total consideration	**79**	**98**

16.1 Related party balances at the end of the period

	31.03.2026 EUR'000	31.12.2025 EUR'000
Non-current receivables from:		
- other related parties under common control	584	568
Total non-current receivables from related parties	**584**	**568**
Current receivables from:		
- owners	702	677
- joint ventures	83	82
- other related parties under common control	439	447
Expected credit losses	(8)	(8)

Total current receivables from related parties	**1,216**	**1,198**
Total receivables from related parties	**1,800**	**1,766**
Current payables to:		
- owners – payables for dividends	2,303	1,636
- other related parties under common control for supplies	41	374
Total current liabilities to related parties	**2,344**	**2,010**
Total liabilities to related parties	**2,344**	**2,010**

The Group's related parties include the owners, entities under common control and key management personnel.

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

The Group has granted loans to related parties, which are unsecured and bear an agreed market interest rate. Loans amounting to EUR 675 thousand are short-term, with a maturity of one year, whilst the long-term loans amount to EUR 584 thousand and have maturities of two and three years.

The remaining receivables from related parties, as well as the liabilities, are of a commercial nature.

The Group has not received any guarantees from related parties, nor has it provided any guarantees in favour of related parties.

17. Events after the end of the reporting period

As at the date of approval of these financial statements, the dividends of 2,303 thousand euros, as resolved by the General Meeting of Shareholders on 27 March 2026, have been paid in full.

No adjusting events or other significant non-adjusting events have occurred between the date of the interim consolidated financial statements and the date of approval for their publication.

18. Approval of the interim consolidated financial statements

The interim consolidated financial statements as at 31 March 2026 (including comparative information) were approved for publication by the Board of Directors on 28 May 2026.

INFORMATION pursuant to Appendix No 4 to Ordinance 2 of the Financial Supervision Commission

1. **Changes to the persons exercising control over the Company**

   In the period there has been no changes to the persons exercising control.

2. **Opening insolvency proceedings for the Company or a subsidiary thereof and all material stages related to the insolvency proceedings**

   No such proceedings have been initiated.

3. **Conclusion or execution of material transactions. Decision on conclusion, termination, or cancellation of a joint venture contract**

   There have been no such transactions.

4. **Change in the Company's auditors and reasons for change**

   There has been no change in the Company's auditors in the period.

5. **Initiation or termination of court or arbitration proceedings referring to the Company's payables or receivables, or to payables and receivables of a subsidiary thereof, where the claim amount is at least 10% of the Company's equity**

   There have been no court or other proceedings at a significant amount.

6. **Purchase, sale or pledge on interest in business entities by the issuer or a subsidiary thereof**

   On 17 February 2026, TIB AD acquired a 51% stake in 7MojoS Interactive EOOD, Varna – a company holding exclusive intellectual property rights to the specialised online betting software 7MOJOS, which is a high-performance modular gaming system with an architecture based on microservices. The value of the transaction is €3 million. Payment is to be made in three equal instalments over the coming months.

   By a resolution dated 22 January 2026, TIB AD increased the share capital of its subsidiary TIB Consult S.A.C., Peru, by PEN 3 million (EUR 764,700), of which EUR 427,000 has been paid up. Following the capital increase, Telematic Interactive Bulgaria AD's shareholding remains at 99.99% of the capital.

7. **Other circumstances that the Company believes might be important to investors in their decision to acquire, sell, or continue to hold publicly offered securities**

   There are no circumstances other than disclosed in this report.

Chair of the Board of Directors ....

Desislava Panova