C3i Europe EOOD
SOFIA

ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2020

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DIRECTORS' REPORT
DECEMBER 31, 2020

The management of C3i Europe EOOD (the Company), herewith submits the Financial Statements as at, and for the year ended December 31, 2020.

DESCRIPTION OF THE ACTIVITY

The Company was registered as a sole limited liability company as per court decision No. 1 on July 11, 2005 of the Sofia City Court, company file 7991/2005 with share capital of BGN 5000.

As at the reporting date the share capital of the Company is BGN 150,500, 100% owned by Telerx Marketing Inc., USA and its ultimate holding company is HCL Technologies Limited.

The share capital is fully paid in cash.

The Company's head office is in Sofia.

The main Company's business activity is technical help desk support, user administration and site assessments services for pharmaceutical clients and clinical research organization.

Business activity as per MOA: Technical call center, as well as engagement in other commercial operations which are not banned under Bulgarian Law.

BUSINESS OVERVIEW

The results of the Company for 2020 are satisfactory: the Company realised a net profit before amounted to 2,382 thousand Leva (2019: 2,549 thousand Leva) and revenue from sales of services amounted to 54,488 thousand Leva (2019: 45,514 thousand Leva).

As of December 31, 2020 the Company's equity is positive in the amount of BGN 15,023 thousand Leva (2019: 12,641 thousand Leva).

Important events that have occurred since the end of the financial year

There are no important events that have occurred since the end of the financial year that would require adjustment to or disclosure in the 2020 financial statements of the Company.

REVIEW OF 2020

During the current year the Company:

- Ended 2020 with 1120 employees' vs 992 in December 2019
- 2020 total space is 4750.12 Sq. meters

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DIRECTORS' REPORT
DECEMBER 31, 2020

OBJECTIVES FOR 2020

The Company's management set the following objectives and targets for 2020:

Objectives:

§ Expand our services volume with our current accounts
§ Add new clients

Targets:
Achieve and maintain 90%+ customer satisfaction
Maintain profitability
Increase efficiency and Agent effectiveness
Increase penetration of European sales force support market
Renew ISO certification

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company does not directly engage in research and development activities.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Company's business activity exposes it to certain risks, including the effect of change in foreign exchange rates, interest rates, credit and liquidity risk. The management of the Company, like the group to which belongs, monitors the overall risk and looks for methods to neutralize potential negative effects.

Foreign exchange risk

The Company performs international transactions and have purchases and / or sales denominated in foreign currency. Therefore,the Company is exposed to currency risk associated with possible fluctuations in the foreign currency. At present risk exists mostly exposures of the Company in US dollars (USD). The Company does not use special financial instruments to hedge these risks, since such tools are not generally practiced in Bulgaria.

Interest risk

Interest rate risk to the Company arises from a loan with a floating rate and is associated with fluctuations in interest rates and changes in future cash flows. The Company has no loans and therefore no interest rate risk from changes in interest markets.

The Company does not use special tools to manage interest rate risk.

Credit risk

Financial assets which potentially expose the Company to credit risk are primarily trade receivables. The Company is exposedto credit risk in the event that customers do not pay their obligations. As the Company has no significant concentration of credit risk as receivables of the Company by the sole shareholder.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of fundingthrough an adequate amount of committed credit facilities and the ability to close out market positions.

The Company does not use hedge instruments for limitation of the financial risk.

MANAGEMENT

By the date of preparation of the financial statements the Company is represented together by:

Mr. Shiv Kumar Walia, British citizen
Mr. Rahul Singh, Indian citizen
Mr. Subramanian Gopalakrishnan, Indian citizen

Responsibilities

The management prepares each year the Company's financial statements which should present truly and fairly the Company's financial position and operations.

The management confirms that adequate accounting policies have been applied and the financial statements are prepared using the prudence concept for the recognition and valuation of the assets, liabilities, income and expenses. The financial statements are prepared based on thegoing concern concept.

The management is responsible for the proper maintaining of the Company's financial records, for the proper use and control of the assets and for taking proper measures to avoid any mistakes and fraud.

Managing director

....
Mr. Subramanian Gopalakrishnan
Sofia, 14 July 2021

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SOFIA
BULSTAT: 131448974

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Notes	12/31/2020 BGN'000	12/31/2019 BGN'000
ASSETS			
Non-current assets			
Property, plant and equipment	1	1,317	750
Intangible non-current assets	2	-	3
Right-of-use assets	3	2,945	3,385
Other non-current assets	4	1,376	846
Deferred tax assets	21	371	300
Total non-current assets		**6,009**	**5,284**
Current assets			
Trade and other receivables	5	1,047	1,471
Current related parties receivables	22	12,015	21,653
Other receivables and prepayments	6	745	172
Cash and cash equivalents	7	8,601	574
Total current assets		**22,408**	**23,870**
TOTAL ASSETS		**28,417**	**29,154**
EQUITY AND LIABILITY		**BGN'000**	**BGN'000**
Equity			
Share capital	8	151	151
Retained earnings		12,490	9,941
Profit current period		2,382	2,549
Total equity		**15,023**	**12,641**
Non-current Liabilities			
Lease liabilities	3	1,888	2,443
KT deferred revenue non-current	9	1,614	674
Total Non-current Liabilities		**3,502**	**3,117**
Current liabilities			
Lease liabilities	3	1,062	969
Related parties payables	22	14	4,286
Trade and other payables	10	6,973	6,445
Income tax payable	11	99	74
Provisions	12	1,364	1,493
Other liabilities & deferred revenue	13	380	129
Total current liabilities		**9,892**	**13,396**
TOTAL EQUITY AND LIABILITIES		**28,417**	**29,154**

The notes on pages 7-22 are an integral part of these financial statements.

Sofia, 14 July 2021

Managing Director:
C3I EUROPE EOOD
Mr. Subramanian Gopalakrishnan

Chief Accountant:
TMF SERVICES EOOD
Daniel Proychev
Managing Directors

In accordance with an Independent Auditors' Report:
KPMG Audit OOD
Ivan Andonov
Registered auditor, responsible for the audit

Dobrina Kaloyanova
Authorized representative

Си Зи Ай Европа ЕООД * София * C 3 i Europe EOOD *

"ТМФ Сървисиз" ЕООД София

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 045 КПМГ ОДИТ ООД

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2020

	Notes	BGN'000 2020	BGN'000 2019
Revenue from operations	14	54,488	45,514
Other revenue	15	-	93
Total revenue		**54,488**	**45,607**
Employee expenses	16	(43,884)	(33,421)
External services	17	(3,213)	(6,754)
Depreciation and amortization	18	(173)	(467)
Depreciation right-of-use assets	18	(2,726)	(1,038)
Supplies and other expenses	19	(364)	(456)
Profit from operations		**4,128**	**3,471**
Financial income related to deposits		14	-
Finance costs related to IFRS 16		(61)	(33)
Financial expenses	20	(1,434)	(600)
Profit before tax		**2,647**	**2,838**
Tax charges	21	(265)	(289)
Net profit for the period		**2,382**	**2,549**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**2,382**	**2,549**

The notes on pages 7-22 are an integral part of these financial statements.

Sofia, 14 July 2021

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2020

	BGN'000 2020	BGN'000 2019
CASH FROM OPERATING ACTIVITIES		
Cash receipts from customers	60,125	40,128
Cash paid to suppliers	(6,157)	(6,076)
Payroll-related payments	(43,084)	(32,294)
Cash generated from operations	10,884	1,758
Income taxes paid	(313)	(352)
Refunded VAT	1,362	520
Other cash paid	(265)	(1,204)
NET CASH FLOW FROM OPERATING ACTIVITIES	**11,668**	**722**
CASH FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(899)	(379)
NET CASH USED IN INVESTING ACTIVITIES	**(899)**	**(379)**
CASH FROM FINANCING ACTIVITIES		
Repayments of obligations under leases	(2,742)	(1,045)
NET CASH USED IN/FROM FINANCING ACTIVITIES	**(2,742)**	**(1,045)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**8,027**	**(702)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**574**	**1,276**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8,601**	**574**

The notes on pages 7-22 are an integral part of these financial statements.

Sofia, 14 July 2021

Managing Director:
C3I EURORE EOOD
Mr. Subramanian Gopalakrishnan

Chief Accountant:
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Daniel Proychev
Managing Directors

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020

	Share capital BGN'000	Retained earnings BGN'000	Retained earnings BGN'000	TOTAL BGN'000
BALANCE AS AT 01-01-2019	151	10,471	(530)	**10,092**
Net profit for the period	-	2,549	-	**2,549**
BALANCE AS AT 31-12-2019	151	13,020	(530)	**12,641**
BALANCE AS AT 01-01-2020	151	13,020	(530)	**12,641**
Net profit for the period	-	2,382	-	**2,382**
BALANCE AS AT 31-12-2020	151	15,402	(530)	**15,023**

The notes on pages 7-22 are an integral part of these financial statements.

Sofia, 14 July 2021

Managing Director:
C3I EUROPE EOOD
Mr. Subramanian Gopalakrishnan

Chief Accountant:
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C3i Europe EOOD
SOFIA

ACCOUNTING POLICY
DECEMBER 31, 2020

1. General considerations

C3iEurope EOOD (The company) is registered as a limited liability company on July 11, 2005 by decision No. 1 of the Sofia City Court under company file no. N 7991/2005 with share capital of 5,000 (five thousand) leva. As of 31.12.2011 the capital is 150,500 BGN and is 100% owned byTelerex Marketing Inc., USA, divided into 1505 shares of BGN 100 each. The capital of the Company is entirely paid in the form of a cash contribution.

The company is mainly operating a technical maintenance center and providing technical services on specific projects.

The seat of the Company is located in Sofia.

2. Accounting policy

Below is described the accounting policy applied in the preparation of the financial statements.

The policy has been consistently applied for all years presented unless explicitly stated otherwise.

2.1 Basis for preparation of the financial statements

The Company prepares and presents its financial statements based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the clarifications on their application issued by the IFRS Interpretation Committee (IFRIC) adopted by the Commission The European Union (EU).

The financial statements are prepared in Bulgarian lev(BGN), which is the functional currency of the Company. All amounts are in thousand Bulgarian Levs (BGN'000) (including comparative information for 2019), unless otherwise stated.

As at the date of preparation of these financial statements, Management has made an assessment of the Company's ability to continue as a going concern. This estimate takes into account all available information about the foreseeable future, which is at least, but not limited to, twelve months from the end of the reporting period. The financial statements are prepared in accordance with the going concern principle.

Applying of new and revised IFRSs

New and amended standards, effective from 01.01.2020 adopted by the Company
The Company has applied the following standards and amendments for the first time to its annual reporting period beginning onJanuary 1, 2020:
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020)

Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020)

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020)

Amendments to IFRS 3 Business Combinations (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020)

Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020)

All changes of the adopted standards listed above have no impact on the amounts recognized in previous periods and arenot expected to have a significant impact on the Company during the current or future reporting periods as well as in the foreseeable future transactions.

New standards and interpretations that come into force on January 1, 2020 and have not been accepted in advance by the Company
Certain new accounting standards and interpretations that are not mandatory for the reporting period at 31 December 2020 andhave not been previously adopted by the Company have been published. The Company's assessment of the impact of these new standards and interpretations is set out bebw.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2021)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021)
There are no other standards that are not yet adopted, and which are expected to have a significant impact on the Company duing the current or future reporting period as well as in the foreseeable future transactions.

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Accounting policy (continued)

Basis of preparation of the financial statements (continued)

New standards, clarifications and amendments not yet adopted by the EU

The following new or revised standards, new interpretations and changes to existing standards, which at the reporting date were issued by the International Accounting Standards Board (IASB), have not yet been approved for application by the EU and accordingly not taken into account by the Company in preparing financial statements:

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB)

IFRS 17 Insurance Contracts (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021); **including Amendments to IFRS 17** (issued on 25 June 2020)

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (issued on 14 May 2020)

2.2 Application of the going concern principle

The financial statements are prepared on a going concern basis, which implies that the Company will continue its operations in the foreseeable future. The validity of the going concern business depends on the active financial support of the parent company - Telerex Marketing Inc., USA. Considering the assessment of expected future cash flows, management considers that it is appropriate to prepare the financial statements on a going concern basis.

2.3. Estimates

The preparation of the financial statements in accordance with IFRS requires the application of estimates and assumptions that significantly affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of the financial statements, as well as the reported income and expenses for the reporting period. Although these estimates are based on management's best knowledge of events and activities for the period, actual results may differ from these estimates. Estimates are based on management's past experience, including expectations of future events under normal circumstances. These estimates, approximate estimates and assumptions are a subject to regular reviews to be consistent with available data and to reflect current risks.

2.4. Summary of significant accounting policies

Functional currency and presentation currency

The separate elements of the Company's financial statements are measured in the currency of the primary economic environmentin which the entity operates (functional currency). The financial statements are presented in BGN thousand (BGN thousand), which is the functional curreny and is fixed at the Euro at an exchange rate of EUR 1 for BGN 1.9558.

Transactions and balances

Transactions in foreign currency are translated into functional currency using the official exchange rate for that day. Foregn exchange gains and losses arising from the settlement of foreign currency transactions and from a revaluation at the closing exchange rate of foreign currency-denominated assets and liabilities are recognized in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical value includes costs directly attributable to the acquisition of the asset.
Subsequent costs are added to the carrying amount of the asset or accounted for as a separate asset only when the Company isexpected to receive future economic benefits associated with the use of that asset and when the carrying amount can be reliably determined. All other maintenanceand repair costs are reflected in the income statement in the period in which they are incurred.

Depreciation of property, plant and equipment is accounted for using the straight-line method to allocate the difference between the carrying amount and the residual value over the useful life of the assets as follows:

Computer equipment and software - 2-5 years
Equipment, furnishing and other assets - 7 years
Improvement of leased assets - 5 years (for the term of the lease)
The residual value and the useful life of the assets are reviewed and, if necessary, corrected for each date of preparation of the financial statements.

Intangible assets

Software products
Acquired licenses for software products are capitalized on the basis of the costs necessary to acquire and release the specifc software product. They are amortized over their expected useful life.

Depreciation is accrued using the straight-line method to allocate the value of assets to their residual value over their useful lives.

Impairment of assets

Assets that have an indefinite useful life are not amortized but are tested for impairment on an annual basis. Assets that are depreciated are reviewed for impairment when events occur or there is a change in circumstances that suggests that the carrying amount of the assets is not recoverable. For an impairment loss, the amount by which the carrying amount exceeds their recoverable amount is recognized.

The recoverable amount is the higher of the net selling value and the value in use. In order to determine the value in use, assets are grouped into the smallest possible identifiable units generating cash flows.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently at depreciated value (using the effective interestmethod), reduced by any impairment provision. Impairment is made if there is an objective evidence that the Company will not be able to collect all amounts under the original terms of the relevant calculation. The amount of impairment is the difference between the carrying amount and the recoverable amount. The last one represents the present value of cash flows, discounted at the effective interest rate. The amount of the provision for impairment is recognized in the income statement.

Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial condition if and only when theCompany becomes a party to the contractual terms of this instrument.

Financial assets (excluding trade receivables) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability that is not measured at fair value through profit or loss are added or subtracted from the fair value of the financial asset or financial liability on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of afinancial asset or financial liability that is measured at fair value through profit or loss are recognized immediately in profit or loss.

Upon initial recognition, the Company measures trade receivables that do not have a significant financing component (determined in accordance with IFRS 15) at their respective transaction price.

(a) Financial assets

The Company classifies financial assets as subsequently measured at amortized cost, at fair value through other comprehensiveincome or fair value through profit or loss on the basis of the following two conditions:

- business model for management of the financial assets of the enterprise; and

- the characteristics of the contractual cash flows of the financial asset.

A financial asset is measured at amortized cost if the following two conditions are met:

- the financial asset is held within a business model, the purpose of which is to hold the assets in order to collect the contractual cash flows; and

- under the contractual terms of the financial asset, cash flows arise on specific dates, which are only principal payments and interest on the outstanding principal

2.4. Summary of significant accounting policies (continued)

Financial instruments (continued)

A financial asset is measured at fair value through other comprehensive income if the following two conditions are met:

- the financial asset is held within a business model whose purpose is both to collect contractual cash flows and to sell financial assets, and

- under the contractual terms of the financial asset, cash flows arise on specific dates, which are only principal payments and interest on the outstanding principal amount.

All other financial assets are subsequently measured at fair value through profit or loss.

The measurement of financial assets at amortized cost is performed using the effective interest method in accordance with IFRS 9.

IFRS 13 defines fair value as the price to sell an asset or to transfer a liability in an ordinary transaction between marketparticipants at the date of the measurement of the primary (or most profitable) market under current market conditions. The fair value in accordance with IFRS 13 is the outgoing price, whether that price is directly available for observation or is estimated using another measurement technique.

The financial assets of the Company include in particular: cash and cash equivalents; trade and other receivables.

Cash and cash equivalents include cash and sight deposits with an original maturity of up to three months from the date of acquisition, which are associated with a negligible risk of change in their fair value and are used by the Company to manage short-term liabilities.

Trade and other receivables include receivables from contracts with customers that do not contain a significant component offinancing and receivables from lease agreements. The Company estimates the expected credit losses on these financial instruments by applying the simplified approach according to IFRS 9 on the basis of a provision matrix, such as:

- categorize receivables by groups with similar credit risk characteristics;

- determines the period in the past for which it calculates the historical credit loss for each group of receivables;

- determines the percentages of the historical credit loss by groups of receivables;

- adjusts the rates of historical credit loss based on projected future economic conditions;

- calculates the expected credit losses.

The Company writes off a financial asset if and only if:

- the contractual rights to the cash flows from this financial asset have expired; or

- The Company transferred the financial asset, and this transfer meets the derecognition requirements under IFRS 9.

(b) Financial liabilities

The Company classifies all financial liabilities and subsequently measures at amortized cost using the effective interest mehod. The exceptions to this rule under IFRS 9 are:

- financial liabilities measured at fair value through profit or loss;

- financial liabilities arising from the transfer of a financial asset that does not qualify for derecognition or when the continuing participation approach is applied;

- financial guarantee contracts;

- commitments to grant a loan with an interest rate that is lower than the market rate;

- contingent consideration recognized by the buyer in a business combination,

are not applicable to the financial liabilities of the Company and their subsequent valuation.

The financial liabilities of the Company include in particular:

trade and other liabilities.

The Company removes a financial liability (or part of a financial liability) from its statement of financial position if andonly when it is repaid - ie. when the obligation specified in the contract has been fulfilled, has been canceled or its term has expired.

Financial assets and liabilities are netted and the net value is presented in the statement of financial position if and onlyif the Company has a legal basis to net the amounts and intends to either settle on a net basis or to sell the asset and settle the liabilities simultaneously.

Capital

Shareholders' equity is classified as equity.

Loans

Loans are initially recognized at fair value less costs to carry out the transaction. Borrowings are subsequently measured at amortized cost; any difference between

2.4. Summary of significant accounting policies (continued)

Leasing

The company as a lessee

The Company evaluates whether a contract is or contains a lease at the beginning of the contract. The Company recognizes an asset with a right of use and a corresponding lease obligation in respect of all lease agreements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases, with low-value assets (such as tablets and personal computers, small office furniture and telephones). For these leases, the Company recognizes lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time model in which the economic benefits of the leased assets are realized.

The lease liability is initially measured at the present value of the lease payments not repaid at the inception date, discounted at the lease interest rate. If this interest rate cannot be easily determined, the Company uses its differential interest rate.

Lease payments involved in the measurement of the lease liability include:

Fixed lease payments (including substantially fixed payments), less any lease incentive receivables;

Variable lease payments that depend on an index or interest rate, initially measured using the index or interest rate at the starting date;

The amount expected to be paid by the lessee under residual value guarantees;

The cost of exercising the options to purchase, if it is largely certain that the lessee will exercise the options; and

Payment of penalties for termination of the lease agreement, if the term of the lease reflects the exercise of the option for termination of the lease agreement.

The lease liability is presented on a separate line in the statement of financial position.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company revalues the lease liability (and adjusts the related asset to its right of use accordingly) when:

The lease term has changed or there is a significant event or change in circumstances that results in a change in the valuation of the exercise the option for purchasing, in which case the lease liability is revalued by discounting the revised lease payments using a revised discount rate.

Lease payments are changed due to changes in an index or percentage or a change in the expected payment at the guaranteed residual value, in which case the lease liability is revalued by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments is due of a change in a floating interest rate, where a revised discount rate is used).

The lease is amended and the lease change is not accounted for as a separate lease, where the lease liability is revalued based on the lease term of the amended lease by discounting the revised lease payments using the revised discount rate at the actual date of the amendment.

The company has not made such adjustments during the presented periods.

Assets with the right of use include the initial measurement of the relevant lease liability, lease payments made on or before the inception, less any lease incentives received, and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses.

When the Company incurs a liability for the costs of dismantling and removing a leased asset, restoring the asset to which the asset is located or restoring the underlying asset to the condition required by the lease, a provision is recognized and measured in accordance with IAS 37. As far as the costs are related to an asset with a right of use, the costs are included in the respective asset with a right of use, unless these costs are incurred for the production of inventories.

Assets with the right of use are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the asset to be used.

The assets with the right of use are presented on a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether an asset with impairment is impaired and reports any impairment losses identified as described in the Property, Plant and Equipment policy.

As a practical measure, IFRS 16 allows the lessee not to separate the non-leased components and instead considers each lease and related non-leased components as a single arrangement. The company did not use this practical measure. For contracts that contain a leasing component and one or more additional leasing or non-leasing components, the Company distributes the remuneration in the contract to each leasing component based on the relative independent price of the leasing component and the total independent price of the non-leasing components.

2.4. Summary of significant accounting policies (continued)

Deferred taxes

Deferred tax is accounted for using the balance sheet method for all temporary differences that arise between the tax base ofassets and liabilities and their carrying amount in financial statements. If, however, tax temporary differences arise from the initial recognition of an asset or liability that does not affect either the accounting or tax gain (loss) during the transaction, that difference is not accounted for. When calculating deferred taxes, the tax rates(and regulatory) that were in effect at the balance sheet date are applied to periods of expected reversal of tax temporary differences.

A deferred tax asset is recognized only if it is probable that sufficient future taxable profits will be available against which those assets may be used.

Current and deferred taxes are recognized as income or expense and are included in net income for the period, except when the tax arises from transactions or events that are recognized in the same or different period directly in the equity statement. Current and deferred taxes are charged or remitted directly to equity when the tax relates to items that are carried forward or accrued in the same or a different period directly to equity.

Employee benefits

According to the requirements of the Labor Code, enterprises in the country are obliged to terminate their employment with anemployee who has reached retirement age to pay him a lump sum compensation of 2 to 6 salaries depending on his work experience in the Company. The Company has calculated the probable amount of the liability for that benefit, but due to its insignificant size, as well as the turnover and low average age of the staff, it has not accrued a provision in these financial statements.

Provisions

Provisions are accounted for when a present legal, constructive or statutory obligation arises for the Company as a result ofpast events when it is expected that cash outflows will flow to settle the obligation and when the amount of the obligation can be accurately determined. Provisions for future operating losses are not recognized.

Revenue recognition

Revenue in the Company is recognized on an accrual basis and to the extent that the economic benefits are acquired by the Company and to the extent that revenue can be measured reliably.

The Company reports revenue from a contract with a customer that is within the scope of IFRS 15 only when all of the following five criteria are met:

- the parties to the contract have approved the contract (in writing, verbally or in accordance with other customary commercial practices) and are determined to fulfill their respective obligations;

- The Company may identify the rights of each of the parties with respect to the goods or services being transferred;

- The company can identify the terms of payment for the goods or services to be transferred;

- the contract has a commercial nature (ie as a result of the contract it is expected to change the risk, time parameters or the amount of future cash flows of the Company);

- the Company is likely to receive the remuneration to which it is entitled in exchange for the goods or services that will be transferred to the customer. In assessing the probability that the remuneration will be received, the Company takes into account only the ability and intention of the client to pay the amount of remuneration within the required period.

Sales of services

Revenue from provided services is recognized in the period in which they are rendered, based on the level of performance determined as a percentage of the services rendered to date of all services to be provided.

3. Financial risk management

Financial risk factors

The Company is exposed to various financial risks: market risk (including currency risk, risk of changes in the fair value offinancial instruments under the influence of market interest rates and price risk), credit risk, liquidity risk and risk of future changes cash flows resulting from changes in market interest rates.

(a) Currency risk

The Company is exposed to various financial risks: market risk (including currency risk, risk of changes in the fair value offinancial instruments under the influence of market interest rates and price risk), credit risk, liquidity risk and risk of future changes cash flows resulting from changes in market interest rates.

(b) Credit risk

Financial assets that potentially expose the Company to credit risk are primarily sales receivables. Fundamentally, the Compay is exposed to credit risk in the event that customers fail to meet their obligations. There is no significant concentration of credit risk in the Company since theCompany's receivables are the sole owner of the capital.

(c) Liquidity risk

The prudent management of liquidity risk implies the maintenance of a sufficient amount of money as well as the possibility of additional financing with credits for closing market positions.

(d) Interest rate risk

The interest rate risk for the Company arises from a floating rate loan and is related to fluctuations in interest rates andchanges in future cash flows. The company has no loans and therefore there is no interest rate risk from changes in interest rates.

The Company does not use special instruments to manage interest rate risk.

4. Significant accounting estimates and judgments

Estimates and judgments are based on experience and other factors, including expectations for future events under the circumstances. The reliability of the estimates and judgments is reviewed regularly. The Company makes estimates and judgments for accounting and disclosure purposes that may differ from actual results.

Income Taxes

The Company is a tax entity under the jurisdiction of the tax administration. Considerable judgment needs to be made to detemine the tax provision. There are a number of operations and calculations for which the definitive tax is uncertain in the normal course of business. The Company recognizes liabilities for expected tax-audit liabilities based on the management's judgment as to whether the additional tax liability will become a fact. When the finaltax outcome of such events is different from the initially reported amounts, these differences will have an impact on the short-term tax and the provision for temporary tax differences during the tax audit period.

1 Property, plant and equipment

	CAPITAL WORK IN PROGRESS	Office equipment	Leasehold improvements	Total
Initial cost as at 01-01-2019	-	4,164	250	4,414
Additions during 2019	34	431	-	465
Disposals during 2019	-	(211)	-	(211)
Initial cost as at 01-01-2020	34	4,384	250	4,668
Additions during 2020	-	563	186	749
Disposals during 2020	(12)	-	-	(12)
Historical cost as at 31-12-2020	**22**	**4,947**	**436**	**5,406**
Accumulated depreciation as at 01-01-2019	-	3,465	208	3,673
Depreciation for 2019	-	425	27	452
Disposals during 2019	-	(207)	-	(207)
Accumulated depreciation as at 01-01-2020	-	3,683	235	3,918
Depreciation for 2020	-	158	12	170
Disposals during 2020	-	-	-	-
Accumulated depreciation as at 31-12-2020	-	**3,841**	**247**	**4,088**
Net book value as at 31-12-2020	**22**	**1,106**	**189**	**1,317**
Net book value as at 31-12-2019	34	701	15	750

The Company has reviewed the available assets as of December 31, 2020 and has considered that there is no need for impairment.

As of December 31, 2020, the Company used equipment fully depreciated at the reporting date with carrying amount and accumulated depreciation, amounting to BGN 2,722 thousand (2019: 1,600 thousand), distributed as follows:

Computers and computer equipment - BGN 1,832 thousand (2019: 827 thousand)
Office Furniture - 803 BGN (2019: 773 thousand BGN)
Improvements of leased assets - BGN 87 thousand (2019: BGN 0 thousand)

2 Intangible non-current assets

	Software and licences	Total
Historical cost as at 01-01-2019	257	257
Additions during 2019	-	-
Historical cost as at 01-01-2020	257	257
Additions during 2020	-	-
Historical cost as at 31-12-2020	**257**	**257**
Accumulated depreciation as at 01-01-2019	239	239
Depreciation current period	15	15
Accumulated depreciation as at 01-01-2020	254	254
Depreciation current period	3	3
Accumulated depreciation as at 31-12-2020	**257**	**257**
Net book value as at 31-12-2020	-	-
Net book value as at 31-12-2019	3	3

3 Right-of-use assets

Right-of-use assets related to rent of office premisses and deposits that do not meet the definition of investment property are presented below:

The following amounts under IFRS 16 are recognized in the balance sheet:

	Office leases	Total
Historical cost as at 31-12-2018	-	-
Adjustment for change in accordance with first-time application of IFRS 16 as at 01-01-2019	1,370	1,370
Additions during 2019	3,053	3,053
Historical cost as at 31-12-2019	4,423	4,423
Historical cost as at 1-01-2020	4,423	4,423
Additions during 2020	2,286	2,286
Historical cost as at 31-12-2020	**6,709**	**6,709**
Accumulated depreciation as at 01-01-2019	-	-
Depreciation for 2019	1,038	1,038
Accumulated depreciation as at 31-12-2019	1,038	1,038
Accumulated depreciation as at 01-01-2020	1,038	1,038
Depreciation for 2020	2,726	2,726
Accumulated depreciation as at 31-12-2020	**3,764**	**3,764**
Net book value as at 31-12-2020	**2,945**	**2,945**
Net book value as at 31-12-2019	3,385	3,385

Lease liabilities	**31/12/2020**	**31/12/2019**
Current lease liabilities	1,062	969
Non-current lease liabilities	1,888	2,443
Total lease liabilities	**2,950**	**3,412**

Maturity analysis – contractual undiscounted cash flows	**31/12/2020**	**31/12/2019**
Less than one year	1,093	928
One to five years	1,915	2,620
More than five years	-	-
Total lease liabilities	**3,008**	**3,548**
Imputed interest	(58)	(136)
Total undiscounted lease liabilities	**2,950**	**3,412**

The following amounts are recognised in profit or loss:

	2020	**2019**
Lease expenses	33	27
Depreciation charge for the right-of-use assets	2,726	1,038
Interest on lease liabilities	61	33
	2,820	**1,098**

The following amounts are recognised in the cash flow statement:

	2020	**2019**
Total cash outflows:	2,742	1,045
	2,742	**1,045**

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4 **Other non-current assets**

	31/12/2020	31/12/2019
Prepaid expenses	49	-
Deposits	247	846
Other receivables in relation to Xerox deal	1,080	-
	1,376	846

The deposit amounts represent deposits regarding the rented premises in Business park Sofia and Varna office, deposits as per long term agreements with foreign internet providers, as well as a deposit related to a renal of premisses in Capital Fort building in 2020.

5 **Trade and other receivables**

	31/12/2020	31/12/2019
Trade receivables	495	-
Taxes refundable	358	237
Other receivables in relation to Xerox deal	194	1,234
	1,047	1,471

The taxes refundable represent the VAT reclaimable accumulated for the period October 2018 as well as amounts for VAT on invoices which will be claimed in 2021.

6 **Other receivables and prepayments**

	31/12/2020	31/12/2019
Prepaid expenses	66	93
Advances to suppliers	88	52
Deposits	591	-
Receivables from employees	-	27
	745	172

7 **Cash and cash equivalents**

	31/12/2020	31/12/2019
Cash in bank in local currency	8,017	300
Cash in bank in foreign currency	584	266
Cash in hand in BGN	-	4
Cash in hand in foreign currencies	-	4
	8,601	574

The Company has bank accounts in Citi Bank, Sofia Branches. Last year, the company has bank account in ING bank also.

8 **Share capital**

The Company's share capital amounts to BGN 150,500, as at 31 December 2020 is 100% owned by Telerx Marketing Inc USA and it is distributed in 1,505 shares at BGN 100 each.The share capital is fully paid in.

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9 Non-current payables

	31/12/2020	31/12/2019
KT deferred revenue non-current	1,614	674
	1,614	**674**

The liabilities are based on signed Master Service Agreement between HCL Technologies Limited and Xerox Corporation, dated on March 12, 2019.

10 Trade and other payables

	31/12/2020	31/12/2019
Salaries payable	1,752	1,389
Accrual for unused paid leave	2,161	1,474
Social security and other taxes	739	635
Payables to suppliers	482	162
Accrued payables	1,564	2,785
Advance from customers	275	-
	6,973	**6,445**

The salaries and social securities payables relate to the December 2020 payroll which is paid in January 2021.

The accrual for unused paid leave is calculated based on the unused vacation days for each employee as at 31 December 2020.

11 Income tax payable

	31/12/2020	31/12/2019
Corporate income tax payable for the current year	99	74
	99	**74**

12 Provisions

	31/12/2020	31/12/2019
Provisions for bonuses payable	1,364	1,493
	1,364	**1,493**

The bonus provision is based on the management's expectations for bonus payables regarding work performed in 2020.

13 Other liabilities & deferred revenue

	31/12/2020	31/12/2019
KT deferred revenue current	380	129
	380	**129**

The deferred revenue is related to a signed Master Service Agreement between HCL Technologies Limited and Xerox Corporation, dated on March 12, 2019.

14 Revenue from operations

	2020	2019
Sales of services from related parties	56,114	45,941
Sales of services from other parties	-	376
KT deferred revenue	(1,626)	(803)
	54,488	45,514

The Company provides services to Telerx Marketing Inc USA based on separate orders on projects and also to companies from HCL group based on group agreement, as well as services to Xerox Business Services Bulgaria EOOD on the basis of Master Service Agreement with Xerox Corpororation.

15 Other revenue

	2020	2019
Other revenue	-	93
	-	93

Other revenue relates to compensations received by employees on labour agreements for unkept notice period by termination of the employment from their side.

16 Employee expenses

	2020	2019
Gross remuneration and bonuses	36,766	28,089
Social security contributions	4,277	4,621
Other benefits	2,841	711
	43,884	33,421

17 External services

	2020	2019
Office utilities and maintenance	1,542	2,265
Shipping and handling services	781	750
Other professional services	419	415
Travel expenses	344	1,903
Training of staff	323	127
Rent of office	30	27
Communication expenses	161	1,077
Advertising expenses	133	158
Car related expenses	132	67
Audit and legal fees	51	129
Bank charges	33	14
Group cost	18	-
Other expenses	8	103
Accounting fees	-	84
Protection and security	-	57
Representative expenses and team events	-	165
Management fee	-	6
KT deferred costs	(762)	(593)
	3,213	6,754

18 Depreciation and amortization

	2020	2019
Depreciation of non-current assets	173	467
Depreciation right-of-use assets	2,726	1,038
	2,899	1,505

19 Supplies and other expenses

	2020	2019
Office consumables and supplies	364	455
Fines and penalties	-	1
	364	456

20 Financial expenses

	2020	2019
FX loss on transactions, net	1,434	600
	1,434	600

21 Corporate income tax and Deferred taxes

	2020	2019
Profit before taxes	2,647	2,838
Increase of result for tax purposes	6,600	4,563
Decrease of result for tax purposes	(5,881)	(3,082)
Taxable profit	3,366	4,319
Corporate income tax rate	10%	10%
Corporate income tax due	(336)	(432)
Deferred tax asset on temporary differences	71	143
Total income tax	(265)	(289)

Deferred tax assets

	Provisions	Total
Balance as at 01-01-2020	300	300
Income statement charge	71	71
Balance as at 31-12-2020	371	371

In 2020, after adjusting the financial result for tax purposes, the Company declared a taxable profit amounting to BGN 3,366 thousand.
During the year the Company has a tax amount of BGN 265 thousand. As a result of the prepayments made in 2020 in the amount of BGN 239 thousand.
The Company owes corporate tax at 31 December 2020 at the amount of BGN 98 thousand.

As of December 31, 2020, the Company has a deferred tax asset based on an effective corporate tax rate of 10%.
The positive effect that the Company may use in deducting the respective temporary differences in 2020 is BGN 371 thousand.

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22 Related party transactions

Transactions with related parties and outstanding balances

Revenue	Relation	31/12/2020 2020	31/12/2019 2019
Telerx Marketing Inc. USA	Mother Company	33,992	38,447
HCL America Inc.	Related parties under common control	-	13
HCL Technologies UK Limited.	Related parties under common control	8,539	508
HCL Technologies Corporate Services Limited	Related parties under common control	5,083	-
HCL (Netherlands) BV	Related parties under common control	2,477	-
HCL Technologies France SAS	Related parties under common control	40	327
HCL Technologies Ltd. - BPO Services	Related parties under common control	4,290	524
HCL Technologies (PTY) Ltd. (Fy HCL Axon (Proprietory) Ltd)	Related parties under common control	32	-
HCL Technologies Austia Gmbh	Related parties under common control	-	815
HCL Belgium N.V/ S.A	Related parties under common control	-	370
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	Related parties under common control	-	995
HCL Technologies Ltd. - IOMC	Related parties under common control	-	9
HCL Technologies Limited, Switzerland branch	Related parties under common control	-	919
HCL Technologies B.V.	Related parties under common control	23	-
HCL Technologies Norway AS	Related parties under common control	12	-
HCL Technologies Denmark Aps	Related parties under common control	4	-
HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Related parties under common control	3	-
HCL Great Britain Limited	Related parties under common control	1,619	3,014
		56,114	**45,941**

Expenses	2020	2019
HCL Technologies Ltd. - IOMC	9	-
HCL America Inc.	9	-
	18	**-**

Current related parties receivables	31/12/2020	31/12/2019
Telerx Marketing Inc, USA - sale of services	961	17,111
HCL Canada Inc - sale of services	-	995
HCL Technologies Ltd. - IOMC - sale of services	-	9
HCL Great Britain Ltd. - sale of services	-	3,014
HCL Technologies Ltd. - BPO Services - sale of services	-	524
HCL (Netherlands) BV - sale of services	2,476	-
HCL Istanbul Bilisim Teknolojileri Limited Sirketi - sale of services	3	-
HCL Technologies (PTY) Ltd. (FY HCL AXON (Proprietory) Ltd) - sale of services	32	-
HCL Technologies Denmark Aps - sale of services	4	-
HCL Technologies UK Limited. - sale of services	8,539	-
	12,015	**21,653**

Current related parties payables	31/12/2020	31/12/2019
Telerx Marketing Inc, USA - received payment from client	5	5
HCL Technologies UK Limited - invoiced services	-	4,281
HCL America Inc. - invoiced services	9	-
	14	**4,286**

The receivables from related parties are for invoices issued in last 90 days.

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23 Analysis of the effect from non-financial risks

The Company's activities are exposed to a number of risks, including credit, interest, liquidity and currency risk, which arises from normal and operational activities. Management monitors overall risk and seeks ways to neutralise potential negative effects.

23.1 Credit risk

Credit risk is the risk that customers will not be able to repay fully the amounts owed to the company within the stipulated timeframe. The risk is analyzed periodically. Assets that potentially expose the Company to credit risk are primarily sales receivables. Credit risk is managed and monitored strictly.

Credit risk is estimated to be minimal as the claims of the parent of Telerex Marketing Inc., USA, which has a good credit history of servicing its obligations to the Company. The Company has no collateral received in connection with its receivables from customers and there was no such practice. The book value of financial assets is the maximum credit exposure.

23.2 Liquidity risk

Liquidity risk is the risk of the company's inability to meet its current and potential liabilities, related to payments when they are due without incurring unacceptable losses. The table below provides an analysis of assets and liabilities of the company as at 31 December 2020 and 2019, grouped by residual maturity.

31/12/2020	months	3-12 months	1-5 years	Over 5 years	Total
Financial assets:					
Current related parties receivables	12,015	-	-	-	12,015
Receivables from the employees	-	-	-	-	-
Cash and cash equivalents	8,601	-	-	-	8,601
Deposits	591	-	247	-	838
	21,207	-	247	-	21,454
Financial liabilities:					
Current related parties payables	14	-	-	-	14
Payables to staff	1,752	3,525	-	-	5,277
Trade and other payables	2,046	-	-	-	2,046
Lease liabilities	373	689	1,888	-	2,950
Other payables	380	-	1,614	-	1,994
	4,565	4,214	3,502	-	12,281

31/12/2019	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Financial assets:					
Current related parties receivables	21,653	-	-	-	21,653
Receivables from the employees	27	-	-	-	27
Cash and cash equivalents	574	-	-	-	574
Deposits	-	-	846	-	846
	22,254	-	846	-	23,100
Financial liabilities:					
Current related parties payables	4,286	-	-	-	4,286
Payables to staff	2,024	2,967	-	-	4,991
Trade and other payables	2,947	-	-	-	2,947
Lease liabilities	242	727	2,443	-	3,412
Other payables	129	-	674	-	803
	9,628	3,694	3,117	-	16,439

23.3 Currency risk

Currency risk is the risk of a negative impact of fluctuations in prevailing exchange rates on the financial position and the cash flows of the company. Since the Bulgarian lev is fixed to the euro and the company presents its financial statements in Euro currency, the currency risk is only related to currencies other than the euro.

The following table summarizes the company's exposure to currency risk as at 31 December 2020. It includes assets and liabilities at book value, categorised by currency type.

31/12/2020	BGN	EUR	USD	GBP	Total
Current related parties receivables	11,983	-	32	-	12,015
Cash and cash equivalents	8,017	-	584	-	8,601
Deposits	282	556	-	-	838
Total assets	**20,282**	**556**	**616**	**-**	**21,454**
Current related parties payables	14	-	-	-	14
Payables to staff	5,190	-	87	-	5,277
Trade and other payables	604	72	1,329	41	2,046
Lease liabilities	137	2,813	-	-	2,950
Other payables	-	-	1,994	-	1,994
Total liabilities	**5,945**	**2,885**	**3,410**	**41**	**12,281**
Net currency exposure	**14,337**	**(2,329)**	**(2,794)**	**(41)**	**9,173**

24 Analisys of capital risk

The primary objective of the Company's capital management is to ensure that it maintains a stable credit rating and appropriate capital ratios to maintain its business and maximize its value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

The company monitors its capital using a debt ratio, which is the net debt divided by the total capital plus net debt. The Company includes in net debt interest-bearing loans and borrowings, trade and other payables, less cash and cash equivalents, except for discontinued operations.

	31/12/2020	31/12/2019
Trade and other liabilities	13,394	16,513
Redused with cash and short term deporits	(8,601)	(574)
Net liability	4,793	15,939
Equity	15,023	12,641
Equity and net liability	19,816	28,580
Proportion of liabilities	**24%**	**56%**

25 Contingent assets and liabilities

At the date of preparation of the financial statements, the Company has no contingent receivables and liabilities.

26 Events after the financial statement date

There are no significant events after the date of the financial statements that have an impact on the statement or on the future activities of the Company.
If necessary, the Company's owners are entitled to amend the financial statements after issue, if applicable.

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Independent Auditors' Report

To the sole owner of C3i Europe EOOD

Opinion

We have audited the accompanying financial statements of C3i Europe EOOD (the Company) as set out on pages 3 to 22, which comprise the statement of financial position as at 31 December 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements of the Independent Financial Audit Act (IFAA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFAA and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the management report, prepared by management in accordance with Chapter Seven of the Accountancy Act, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Additional Matters to be Reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the management report, we have also performed the procedures added to those required under ISAs in accordance with the New and enhanced auditor's reports and auditor's communication Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

Opinion in connection with Art. 37, paragraph 6 of the Accountancy Act

Based on the procedures performed, our opinion is that:

- The information included in the management report for the financial year for which the financial statements have been prepared is consistent with those financial statements.
- The management report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Audit OOD

45/A Bulgaria Boulevard
Sofia 1404, Bulgaria

Dobrina Kaloyanova
Authorised representative

Ivan Andonov
Registered auditor, responsible for the audit

Sofia, 15 July 2021

ОДИТОРСКО ДРУЖЕСТВО
София
Рег. № 045
КПМГ ОДИТ ООД