C3i Europe EOOD
SOFIA

ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2021

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DIRECTORS' REPORT
DECEMBER 31, 2021

The management of C3i Europe EOOD (the Company), herewith submits the Financial Statements as at, and for the year ended December 31, 2021.

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 2021 are satisfactory: the Company realised a net profit before amounted to 4,961 thousand Leva (2020: 2,382 thousand Leva) and revenue from sales of services amounted to 74,537 thousand Leva (2020: 54,488 thousand Leva).

As of December 31, 2021 the Company's equity is positive in the amount of BGN 19,984 thousand Leva (2020: 15,023 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 2021 financial statements of the Company.

REVIEW OF 2021

During the current year the Company:

- Ended 2021 with 1246 employees' vs 1120 in December 2020
- 2021 total space is 4750.12 Sq. meters

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DIRECTORS' REPORT
DECEMBER 31, 2021

OBJECTIVES FOR 2022

The Company's management set the following objectives and targets for 2022:

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 given short term loans to its group companies and therefore there is 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 exposed to 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 funding through 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 the going 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. Shiv Kumar Walia
Sofia, 13 June 2022

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C3i Europe EOOD
SOFIA
BULSTAT: 131448974

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

ASSETS	Notes	12/31/2021 BGN'000	12/31/2020 BGN'000
Non-current assets			
Property, plant and equipment	1	2,492	1,317
Intangible non-current assets	2	101	-
Right-of-use assets	3	4,643	2,945
Other non-current assets	4	1,024	1,376
Deferred tax assets	20	457	371
Total non-current assets		**8,717**	**6,009**
Current assets			
Trade and other receivables	5	525	1,047
Inventories		82	-
Current related parties receivables	21	16,667	12,015
Other receivables and prepayments	6	1,433	745
Cash and cash equivalents	7	10,040	8,601
Total current assets		**28,747**	**22,408**
TOTAL ASSETS		**37,464**	**28,417**
EQUITY AND LIABILITY		**BGN'000**	**BGN'000**
Equity			
Share capital	8	151	151
Retained earnings		14,872	12,490
Profit current period		4,961	2,382
Total equity		**19,984**	**15,023**
Non-current Liabilities			
Lease liabilities	3	2,776	1,888
KT deferred revenue non-current	9	1,234	1,614
Total Non-current Liabilities		**4,010**	**3,502**
Current liabilities			
Lease liabilities	3	1,919	1,062
Related parties payables	21	601	14
Trade and other payables	10	8,804	6,973
Income tax payable	11	88	99
Provisions	12	1,677	1,364
Other liabilities & deferred revenue	13	381	380
Total current liabilities		**13,470**	**9,892**
TOTAL EQUITY AND LIABILITIES		**37,464**	**28,417**

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

Sofia, 13 June 2022

Managing Director:
C3I EUROPE EOOD
Mr. Shiv Kumar Walia

Chief Accountant:
TMF SERVICES EOOD
Daniel Proychev, Nikolay Yordanov
Managing Directors

Veneta Velева, authorized via PoA

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

Dobrina Kaloyanova
Authorized representative

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2021

	Notes	BGN'000 2021	BGN'000 2020
Revenue from operations	14	74,537	54,488
Total revenue		**74,537**	**54,488**
Employee expenses	15	(56,396)	(43,884)
External services	16	(8,230)	(3,213)
Depreciation and amortization	17	(730)	(173)
Depreciation right-of-use assets	17	(2,110)	(2,726)
Supplies and other expenses	18	(572)	(364)
Profit from operations		**6,499**	**4,128**
Financial income related to deposits		24	14
Finance costs related to IFRS 16		(48)	(61)
Financial expenses	19	(958)	(1,434)
Profit before tax		**5,517**	**2,647**
Tax charges	20	(556)	(265)
Net profit for the period		**4,961**	**2,382**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**4,961**	**2,382**

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

Sofia, 13 June 2022

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2021

	BGN'000 2021	BGN'000 2020
CASH FROM OPERATING ACTIVITIES		
Cash receipts from customers	67,754	60,125
Cash paid to suppliers	(8,809)	(6,157)
Payroll-related payments	(53,161)	(43,084)
Cash generated from operations	5,784	10,884
Income taxes paid	(674)	(313)
Refunded VAT	1,718	1,362
Other cash paid	(194)	(265)
NET CASH FLOW FROM OPERATING ACTIVITIES	**6,634**	**11,668**
CASH FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(2,430)	(899)
Short term loan given to group companies	(2,470)	-
Repayment of short term loan given to group companies	1,800	-
NET CASH USED IN INVESTING ACTIVITIES	**(3,100)**	**(899)**
CASH FROM FINANCING ACTIVITIES		
Repayments of obligations under leases	(2,095)	(2,742)
NET CASH USED IN/FROM FINANCING ACTIVITIES	**(2,095)**	**(2,742)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,439**	**8,027**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**8,601**	**574**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**10,040**	**8,601**

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

Sofia, 13 June 2022

Managing Director:
C3I EUROPE EOOD
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Vzneta Veleva
authorized via PoA

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Registered auditor, responsible for the audit

Dobrina Kaloyanova
Authorized representative

Си Зи Ай Европа ЕООД София C3i Europe EOOD

ТМФ Сървисиз ЕООД София

Одиторско дружество София Рег. № 045 КПМГ Одит ООД

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Share capital BGN'000	Retained earnings BGN'000	Retained earnings BGN'000	TOTAL BGN'000
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**
BALANCE AS AT 01-01-2021	151	15,402	(530)	**15,023**
Net profit for the period	-	4,961	-	**4,961**
BALANCE AS AT 31-12-2021	151	20,363	(530)	**19,984**

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

Sofia, 13 June 2022

Managing Director:
C3I EUROPE EOOD
Mr. Shiv Kumar Walia

Си 3и Европа ЕООД
София
C 3 i Europe EOOD

Chief Accountant:
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ОДИТОРСКО ДРУЖЕСТВО
София
Рег. № 045
КПМГ ОДИТ ООД

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ACCOUNTING POLICY
DECEMBER 31, 2021

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 31.12.2021 the capital is 150,500 BGN and is 100% owned by Telerex 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 2020), 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

Standards issued but not yet effective

The following new Standards, amendments to Standards and Interpretations, endorsed by the EC, are not yet mandatorily effecti ve for annual periods beginning on or after 1 January 2021, and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when the y become effective.

Standards, Interpretations and amendments to published Standards that have not been early adopted – endorsed by the EC

(a) Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabiliti es and Contingent Assets; and Annual Improvements 2018-2020, effective for annual periods beginning on or after 1 January 2022:

- the amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- the amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- the amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.
- the Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The Company does not expect the amendment to have a material impact on its financial statements when initially applied.

(b) Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)

The amendment is effective for annual periods beginning on or after 1 April 2021. The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

The Company does not expect the amendment to have a material impact on its financial statements when initially applied.

(c) IFRS 17 Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2023 and early application is permitted. The Company expects tha t the standard, when initially applied, will not have a material impact on the presentation of the financial statements of the Company because the Company does not issue insurance or reinsurance contracts, does not hold reinsurance contracts and does not issue investment contracts with discretionary partici pation features.

Accounting policy (continued)

Basis of preparation of the financial statements (continued)

(d) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies(issued on 12 February 2021), effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) amends IAS 1 in the following ways:

An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
-the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
-the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements;
-and the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not o bscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

The Company does not expect the amendment to have a material impact on its financial statements when initially applied.

(e) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021), effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The Company does not expect the amendment to have a material impact on its financial statements when initially applied.

Standards and interpretations not yet endorsed by the EC

Management believes that it is appropriate to disclose that the following new or revised standards, new interpretations and amendments to current standards, which are already issued by the International Accounting Standards Board (IASB), are not yet endorsed for adoption by the EC, and therefore are not taken into account in preparing these financial statements. The actual effective dates for them will depend on the endorsement decision by the EC.

The following amendments and improvements to standards are not expected to have a material impact on the financial statements of the Company.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, effective for annual periods beginning on or after 1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective for annual periods beginning on or after 1 January 2023.
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021), effective for annual periods beginning on or after 1 January 2023.

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 currency 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. Foreign 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 is expected 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 specific 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.

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 amount.

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 method. 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 payments due (net of transaction costs) and the value of the loan is recognized in the income statement over the period of the loan using the effective interest method. Loans are classified as short-term liabilities unless the Company has the unconditional right to defer settlement of the liability for a period of at least 12 months after the balance sheet date.

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 thestarting 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 fortermination 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 leasepayments 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 impairmentlosses.

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 thecosts 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 underlyingasset. 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 identfied 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 oneor 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 Company 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 the Company'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 and changes 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 determine 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 final tax 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 01-01-2020	34	4,384	250	4,668
Additions during 2020	-	563	186	749
Disposals during 2020	(12)	-	-	(12)
Initial cost as at 01-01-2021	22	4,947	436	5,405
Additions during 2021	-	1,876	-	1,876
Disposals during 2021	(12)	(1,535)	-	(1,547)
Historical cost as at 31-12-2021	**10**	**5,288**	**436**	**5,734**
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 01-01-2021	-	3,841	247	4,088
Depreciation for 2021	-	643	39	682
Disposals during 2021	-	(1,528)	-	(1,528)
Accumulated depreciation as at 31-12-2021	**-**	**2,956**	**286**	**3,242**
Net book value as at 31-12-2021	**10**	**2,332**	**150**	**2,492**
Net book value as at 31-12-2020	22	1,106	189	1,317

The Company has reviewed the available assets as of December 31, 2021 and has considered that there is no need for impairment.

As of December 31, 2021, the Company used equipment fully depreciated at the reporting date with carrying amount and accumulated depreciation, amounting to BGN 1,778 thousand (2020: 2,722 thousand), distributed as follows:

Computers and computer equipment - BGN 801 thousand (2020: 1,832 thousand)
Office Furniture - 814 BGN (2020: 803 thousand BGN)
Improvements of leased assets - BGN 163 thousand (2020: BGN 87 thousand)

2 Intangible non-current assets

	Software and licences	Total
Historical cost as at 01-01-2020	257	257
Additions during 2020	-	-
Disposals during 2020	-	-
Historical cost as at 01-01-2021	257	257
Additions during 2021	149	149
Disposals during 2021	(257)	(257)
Historical cost as at 31-12-2021	**149**	**149**
Accumulated depreciation as at 01-01-2020	254	254
Depreciation current period	3	3
Accumulated depreciation as at 01-01-2021	257	257
Depreciation current period	48	48
Disposals current period	(257)	(257)
Accumulated depreciation as at 31-12-2021	**48**	**48**
Net book value as at 31-12-2021	**101**	**101**
Net book value as at 31-12-2020	-	-

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 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
Historical cost as at 1-01-2021	6,709	6,709
Additions during 2021	3,808	3,808
Historical cost as at 31-12-2021	**10,517**	**10,517**
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
Accumulated depreciation as at 01-01-2021	3,764	3,764
Depreciation for 2021	2,110	2,110
Accumulated depreciation as at 31-12-2021	**5,874**	**5,874**
Net book value as at 31-12-2021	**4,643**	**4,643**
Net book value as at 31-12-2020	2,945	2,945

Lease liabilities	31/12/2021	31/12/2020
Current lease liabilities	1,919	1,062
Non-current lease liabilities	2,776	1,888
Total lease liabilities	**4,695**	**2,950**

Maturity analysis – contractual undiscounted cash flows	31/12/2021	31/12/2020
Less than one year	1,952	1,093
One to five years	2,796	1,915
More than five years	-	-
Total lease liabilities	**4,748**	**3,008**
Imputed interest	(53)	(58)
Total undiscounted lease liabilities	**4,695**	**2,950**

The following amounts are recognised in profit or loss:

	2021	2020
Lease expenses	81	33
Depreciation charge for the right-of-use assets	2,110	2,726
Interest on lease liabilities	48	61
	2,239	**2,820**

The following amounts are recognised in the cash flow statement:

	2021	2020
Total cash outflows:	2,095	2,742
	2,095	**2,742**

4 Other non-current assets

	31/12/2021	31/12/2020
Prepaid expenses	34	49
Deposits	3	247
Other receivables in relation to Xerox deal	987	1,080
	1,024	1,376

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

	31/12/2021	31/12/2020
Trade receivables	202	495
Taxes refundable	88	358
Other receivables in relation to Xerox deal	235	194
	525	1,047

The taxes refundable represent the VAT reclaimable accumulated for the period December 2021 as well as amounts for VAT on invoices which will be claimed in 2022.

6 Other receivables and prepayments

	31/12/2021	31/12/2020
Prepaid expenses	98	66
Advances to suppliers	574	88
Deposits	761	591
	1,433	745

7 Cash and cash equivalents

	31/12/2021	31/12/2020
Cash in bank in local currency	9,832	8,017
Cash in bank in foreign currency	208	584
	10,040	8,601

The Company has bank accounts in Citi Bank, Sofia Branches.

8 Share capital

The Company's share capital amounts to BGN 150,500, as at 31 December 2021 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.

9 Non-current payables

	31/12/2021	31/12/2020
KT deferred revenue non-current	1,234	1,614
	1,234	1,614

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

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10 Trade and other payables

	31/12/2021	31/12/2020
Salaries payable	3,997	1,752
Accrual for unused paid leave	2,398	2,161
Social security and other taxes	482	739
Payables to suppliers	1,453	482
Accrued payables	474	1,564
Advance from customers	-	275
	8,804	**6,973**

The salaries and social securities payables relate to the December 2021 payroll which is paid in January 2022.

The accrual for unused paid leave is calculated based on the unused vacation days for each employee as at 31 December 2021.

11 Income tax payable

	31/12/2021	31/12/2020
Corporate income tax payable for the current year	88	99
	88	**99**

12 Provisions

	31/12/2021	31/12/2020
Provisions for bonuses payable	1,677	1,364
	1,677	**1,364**

The bonus provision is based on the management's expectations for bonus payables regarding work performed in 2021.

13 Other liabilities & deferred revenue

	31/12/2021	31/12/2020
KT deferred revenue current	381	380
	381	**380**

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

	2021	2020
Sales of services from related parties	74,157	56,114
Sales of services from other parties	380	-
KT deferred revenue	-	(1,626)
	74,537	**54,488**

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.

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15 Employee expenses

	2021	2020
Gross remuneration and bonuses	47,784	36,766
Social security contributions	5,315	4,277
Other benefits	3,297	2,841
	56,396	43,884

16 External services

	2021	2020
Office utilities and maintenance	1,522	1,542
Shipping and handling services	2,009	781
Other professional services	536	419
Travel expenses	355	344
Training of staff	288	323
Rent of office	81	30
Communication expenses	150	161
Advertising expenses	130	133
Car related expenses	73	132
Audit and legal fees	26	51
Bank charges	79	33
Group cost	2,482	18
Other expenses	93	8
KT deferred costs	406	(762)
	8,230	3,213

17 Depreciation and amortization

	2021	2020
Depreciation of non-current assets	730	173
Depreciation right-of-use assets	2,110	2,726
	2,840	2,899

18 Supplies and other expenses

	2021	2020
Office consumables and supplies	572	364
	572	364

19 Financial expenses

	2021	2020
FX loss on transactions, net	958	1,434
	958	1,434

20 Corporate income tax and Deferred taxes

	2021	2020
Profit before taxes	5,517	2,647
Increase of result for tax purposes	7,321	6,600
Decrease of result for tax purposes	(6,461)	(5,881)
Taxable profit	6,377	3,366
Corporate income tax rate	10%	10%
Corporate income tax due	(638)	(336)
Deferred tax asset on temporary differences	86	71
Interest on corporate income tax	(4)	-
Total income tax	(556)	(265)

Deferred tax assets

	Provisions	Total
Balance as at 01-01-2021	371	371
Income statement charge	86	86
Balance as at 31-12-2021	457	457

In 2021, after adjusting the financial result for tax purposes, the Company declared a taxable profit amounting to BGN 6,377 thousand.
During the year the Company has a tax amount of BGN 638 thousand. As a result of the prepayments made in 2021 in the amount of BGN 550 thousand.
The Company owes corporate tax at 31 December 2021 at the amount of BGN 88 thousand.

As of December 31, 2021, 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 2021 is BGN 86 thousand.

21 Related party transactions

Transactions with related parties and outstanding balances

Revenue	Relation	2021	2020
Telerx Marketing Inc, USA	Mother Company	47,473	33,992
HCL Latin America Holding, LLC, Panama Branch	Related parties under common control	4	-
HCL Technologies UK Limited.	Related parties under common control	17,487	8,539
HCL Technologies Corporate Services Limited	Related parties under common control	41	5,083
HCL (Netherlands) BV	Related parties under common control	-	2,477
HCL Technologies France SAS	Related parties under common control	-	40
HCL Technologies Ltd. - BPO Services	Related parties under common control	-	4,290
HCL Technologies (PTY) Ltd. (Fy HCL Axon (Proprietory) Ltd)	Related parties under common control	-	32
HCL Technologies Limited- Israel Branch	Related parties under common control	6	-
HCL Technologies France	Related parties under common control	6,604	-
HCL Technologies Chile SpA	Related parties under common control	8	-
HCL Technologies Italy S.p.A.	Related parties under common control	26	-
HCL Technologies Colombia SAS	Related parties under common control	10	-
HCL Technologies B.V.	Related parties under common control	2,477	23
HCL Technologies Norway AS	Related parties under common control	-	12
HCL Technologies Denmark Aps	Related parties under common control	21	4
HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Related parties under common control	-	3
HCL Great Britain Limited	Related parties under common control	-	1,619
		74,157	56,114

21 Related party transactions (continued)

Transactions with related parties and outstanding balances

Interest income	Relation	2021	2020
HCL Technologies France	Related parties under common control	3	-
HCL Technologies Bulgaria EOOD	Related parties under common control	3	-
		6	**-**

Expenses	2021	2020
HCL Technologies (PTY) Ltd. (Fy HCL Axon PTY Ltd.)	5	-
HCL Netherlands B.V.	2,477	-
HCL Technologies Ltd. - IOMC	-	9
HCL America Inc.	-	9
	2,482	**18**

Current related parties receivables	31/12/2021	31/12/2020
Telerx Marketing Inc, USA - sale of services	10,272	961
HCL Technologies Colombia SAS - sale of services	10	-
HCL Technologies Bulgaria EOOD - short term loan	673	-
HCL Technologies Limited- Israel Branch - sale of services	6	-
HCL Technologies Ltd. - BPO Services - sale of services	587	-
HCL (Netherlands) BV - sale of services	-	2,476
HCL Technologies Corporate Services Limited - sale of services	41	3
HCL Technologies (PTY) Ltd. (FY HCL AXON (Proprietory) Ltd) - sale of services	27	32
HCL Technologies Chile SpA - sale of services	8	-
HCL Technologies Italy S.p.A. - sale of services	13	-
HCL Latin America Holding, LLC, Panama Branch - sale of services	4	-
HCL Technologies Denmark Aps - sale of services	9	4
HCL Technologies UK Limited. - sale of services	5,017	8,539
	16,667	**12,015**

Current related parties payables		
Telerx Marketing Inc, USA - received payment from client	5	5
HCL Technologies Limited BPO Services - invoiced services	587	-
HCL America Inc. - invoiced services	9	9
	601	**14**

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

22 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.

22.1 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.

22.2 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 2021 and 2020, grouped by residual maturity.

31/12/2021	months	3-12 months	1-5 years	Over 5 years	Total
Financial assets:					
Current related parties receivables	16,667	-	-	-	16,667
Cash and cash equivalents	10,040	-	-	-	10,040
Deposits	761	-	3	-	764
	27,468	-	3	-	27,471
Financial liabilities:					
Current related parties payables	601	-	-	-	601
Payables to staff	3,997	4,075	-	-	8,072
Trade and other payables	1,927	-	-	-	1,927
Lease liabilities	434	1,485	2,776	-	4,695
Other payables	381	-	1,234	-	1,615
	7,340	5,560	4,010	-	16,910

31/12/2020	Up to 3 months	3-12 months	1-5 years	Over 5 years	Total
Financial assets:					
Current related parties receivables	12,015	-	-	-	12,015
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

22.3 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 2021. It includes assets and liabilities at book value, categorised by currency type.

31/12/2021	BGN	EUR	USD	GBP	Total
Current related parties receivables	16,667	-	-	-	16,667
Cash and cash equivalents	9,832	-	208	-	10,040
Trade receivables	202	-	-	-	202
Deposits	208	556	-	-	764
Total assets	26,910	556	208	-	27,672

22.3 Currency risk (continued)

31/12/2021	BGN	EUR	USD	GBP	Total
Current related parties payables	601	-	-	-	601
Payables to staff	7,934	1	133	-	8,068
Trade and other payables	1,911	30	458	-	2,399
Lease liabilities	-	4,695	-	-	4,695
Other payables	-	-	1,614	-	1,614
Total liabilities	**10,446**	**4,726**	**2,205**	**-**	**17,377**
Net currency exposure	**16,464**	**(4,170)**	**(1,997)**	**-**	**10,296**

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**

23 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.

	31/12/2021	**31/12/2020**
Trade and other liabilities	17,479	13,394
Redused with cash and short term deporits	(10,040)	(8,601)
Net liability	7,439	4,793
Equity	19,984	15,023
Equity and net liability	27,423	19,816
Proportion of liabilities	**27%**	**24%**

24 Contingent assets and liabilities

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

25 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 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 2021 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 2021, 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.

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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, 14 June 2022

ОДИТОРСКО ДРУЖЕСТВО
София
Рег. № 045
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