

E-VALUE INTERNATIONAL SA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2022

**prepared in accordance with Ministry of Public Finance Order no. 1802/2014,
as revised**

E-VALUE INTERNATIONAL S.A.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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E-VALUE INTERNATIONAL SA

**BALANCE SHEET
DECEMBER 31, 2022**

All amounts are expressed in LEI, unless otherwise specified

County: Bucharest
Company: E-VALUE INTERNATIONAL SA
Address: Bucharest,
District 2, str. Dimitrie Pompei no. 5-7, HBC1
Telephone: 021.326.32.31,
Trade Register no.: J40/9528/2014

Form of ownership: 34
Main activity
(NACE class): Activities of call centers
NACE code: 8220
Tax reference number:
RO33481563

	Row	Note	December 31, 2021 (lei)	December 31, 2022 (lei)
A. NON – CURRENT ASSETS				
II. TANGIBLE ASSETS				
1. Land and buildings	08		49,135	66,381
2. Technical equipment and machinery	09		5,378	-
3. Other equipment and furniture	10		336,900	230,081
4. Advances	16		-	1,400
TOTAL	17	1 a)	391,413	297,862
III. FINANCIAL ASSETS				
1. Other loans	23		79,504	79,504
TOTAL	24	1 b)	79,504	79,504
NON-CURRENT ASSETS - TOTAL	25		470,917	377,366
B. CURRENT ASSETS				
I. Inventories				
1. Advances	29		99,577	63,488
TOTAL	30		99,577	63,488
II. Receivables				
1. Trade receivables	31		1,897,107	4,023,206
2. Amounts receivable from affiliates	32	6 h)	7,700,759	5,976,225
4. Other receivables	34		291,717	371,933
TOTAL	37		9,889,583	10,371,364
IV. Petty cash and bank accounts	40		3,938,145	2,166,497
CURRENT ASSETS - TOTAL	41		13,927,305	12,601,349
C. PREPAID EXPENSES				
1. Amounts reversible within one year	44		151,586	188,038
D. PAYABLES WITHIN ONE YEAR				
1. Advances received on account of orders	47		397,777	542,720
2. Trade payables	48		7,619,969	8,992,570

The accompanying notes are an integral part of the financial statements.

E-VALUE INTERNATIONAL SA

**BALANCE SHEET
DECEMBER 31, 2022**

All amounts are expressed in LEI, unless otherwise specified

	Row	Note	December 31, 2021 (lei)	December 31, 2022 (lei)
3. Amounts due to group companies	50	6 h)	13,314,288	2,340,300
4. Other payables, including tax and social security	52		4,083,576	3,215,771
TOTAL	53		25,415,608	15,091,361
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES	54		(11,889,228)	(2,847,624)
F. TOTAL ASSETS LESS CURRENT LIABILITIES	55		(11,418,313)	(2,470,258)
G. LONG-TERM PAYABLES				
1. Amounts due to group companies	61	3, 6h)	3,242,215	14,347,460
TOTAL			3,245,215	14,347,460
H. PROVISIONS				
3. Other provisions	67	3	-	-
TOTAL	68		-	-
I. DEFERRED INCOME				
1. Subsidies for investments	69		5,872	451
1.1. Amounts reversible within one year	70		5,872	451
2. Deferred income	72		546,639	545,199
2.1. Amounts reversible within one year	73		546,639	545,199
TOTAL	79		552,511	545,650
J. CAPITAL AND RESERVES				
I. CAPITAL		6 A)		
1. Capital subscribed and paid in	80		6,700,000	6,700,000
TOTAL	85		6,700,000	6,700,000
IV. RESERVES				
1. Legal reserves	88		184,739	184,739
TOTAL	91		184,739	184,739
V. PROFIT OR LOSS CARRIED FORWARD				
- Debtor balance	96		22,933,854	21,962,786

The accompanying notes are an integral part of the financial statements.

E-VALUE INTERNATIONAL SA

BALANCE SHEET
DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

	Row	Note	December 31, 2021 (lei)	December 31, 2022 (lei)
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR				
- Creditor balance	97		1,441,177	-
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR				
- Debtor balance	98		-	1,739,671
Allocation of profit	99		(52,590)	-
EQUITY - TOTAL	103		(14,660,528)	(16,817,718)

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

ADMINISTRATOR

Name and surname: Athanasios Stratos

Signature _____

Unit stamp

PREPARED BY,

TGS Romania Accounting & TAX Services SRL
Capacity: Authorised legal person member of CECCAR
Registration no. in the professional body: 6823

Signature _____

E-VALUE INTERNATIONAL S.A.

**INCOME STATEMENT
DECEMBER 31, 2022**

All amounts are expressed in LEI, unless otherwise specified

	Row	Note	2021 (lei)	2022 (lei)
1. Net turnover	01		45,084,567	41,893,523
Income from services provided	03		45,084,567	41,893,523
2. Other operating income	13		10,732	5,799
OPERATING INCOME – TOTAL	16		45,095,299	41,899,322
3. a) Expenses with raw materials and consumables	17		14,362	52,728
Other material expenses	18		130,738	66,618
b) Other external expenses (power and water supply)	19		465,466	817,289
Commercial discounts received	21		(819)	-
4. Personnel expenses, of which:	22		12,866,385	11,103,301
a) Salaries and incentives	23	5	12,586,136	10,833,736
b) Social security	24	5	280,249	269,565
5. a) Value adjustments regarding tangible and intangible assets	26	1 a)	142,115	150,729
a.1) Expenses	27		142,115	150,729
6. Other operating expenses	31		30,295,892	31,331,156
6.1 External provisions	32	6 d)	30,223,674	31,198,970
6.2 Other taxes, levies and similar payments; transfers and contributions due based on special acts of legislation	33		58,283	50,089
6.6 Other expenses	37		13,935	82,097
7. Adjustments regarding the provisions	39	2	(611,901)	-
- Expenses	40		-	-
- Income	41		(611,901)	-
OPERATING EXPENSES – TOTAL	42		43,302,238	43,521,821
OPERATING PROFIT OR LOSS				
- Profit	43		1,793,061	-
- Loss	44		-	1,622,499
8. Interest income	47		-	8,578
9. Other financial income	50		110,953	455,585
- of which, income from financial assets	51		-	-
Financial income – total	52		110,953	464,163
10. Interest income	56		30,643	82,486
- of which, expenses incurred with affiliates	57	6 h)	30,643	82,486
11. Other financial expenses	58		432,194	498,849
FINANCIAL EXPENSES – TOTAL	59		462,837	581,335
FINANCIAL PROFIT OR LOSS				
- Profit	60		-	-
- Loss	61		351,884	117,172

The accompanying notes are an integral part of the financial statements.

E-VALUE INTERNATIONAL S.A.

INCOME STATEMENT
DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

	Row	Note	2021 (lei)	2022 (lei)
TOTAL INCOME	62		45,206,252	42,363,485
TOTAL EXPENSES	63		43,765,075	44,103,156
12. GROSS PROFIT OR LOSS				
- Profit	64		1,441,177	-
- Loss	65		-	1,739,671
13. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR				
- Profit	69		1,441,177	-
- Loss	70		-	1,739,671

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

ADMINISTRATOR

Name and surname: Athanasios Stratos

Signature _____

Unit stamp _____

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Capacity: Authorised legal person member of CECCAR
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**E-VALUE INTERNATIONAL SA
STATEMENT OF CHANGES IN EQUITY
DECEMBER 31, 2022**

All amounts are expressed in LEI, unless otherwise specified

Item of equity	Balance at	Increases	Reductions	Balance at
	January 1, 2022			December 31, 2022
	(lei)	(lei)	(lei)	(lei)
	1	2	3	4
Capital subscribed	6,700,000	-	-	6,700,000
Legal reserve	184,739	-	-	184,739
Retained earnings representing profit not distributed or loss not covered in 2014 Profit/(Loss)	(550,275)	-	-	(550,275)
Retained earnings representing profit not distributed or loss not covered in 2015 Profit/(Loss)	(6,744,486)	-	-	(6,744,486)
Retained earnings representing profit not distributed or loss not covered in 2016 Profit/(Loss)	(8,162,876)	-	-	(8,162,876)
Retained earnings representing profit not distributed or loss not covered in 2017 Profit/(Loss)	(3,190,038)	-	-	(3,190,038)
Retained earnings from accounting corrections Profit/(Loss)	386,191	31,048	(448,567)	(31,328)
Retained earnings representing profit not distributed or loss not covered in 2018 Profit/(Loss)	(1,316,107)	-	-	(1,316,107)
Retained earnings representing profit not distributed or loss not covered in 2019 Profit/(Loss)	(3,911,129)	-	-	(3,911,129)
Retained earnings representing profit not distributed or loss not covered in 2020 Profit/(Loss)	554,865	-	-	554,865
Retained earnings representing profit not distributed or loss not covered in 2021 Profit/(Loss)	-	1,388,587	-	1,388,587
Profit or loss for 2022	1,441,177	(1,739,671)	(1,441,177)	(1,739,671)
Allocation of profit	(52,590)	-	52,590	-
Total equity (Debit)/Credit	(14,660,528)	(320,036)	(1,837,155)	(16,817,719)

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

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The accompanying notes are an integral part of the financial statements.

**E-VALUE INTERNATIONAL SA
STATEMENT OF CHANGES IN EQUITY
DECEMBER 31, 2022**

All amounts are expressed in LEI, unless otherwise specified

Item of equity	Balance at	Increases	Reductions	Balance at
	January 1, 2021			December 31, 2021
	(lei)	(lei)	(lei)	(lei)
	1	2	3	4
Capital subscribed	6,700,000	-	-	6,700,000
Legal reserve	132,150	52,590	-	184,739
Retained earnings representing profit not distributed or loss not covered in 2014 Profit/(Loss)	(550,275)	-	-	(550,275)
Retained earnings representing profit not distributed or loss not covered in 2015 Profit/(Loss)	(6,744,486)	-	-	(6,744,486)
Retained earnings representing profit not distributed or loss not covered in 2016 Profit/(Loss)	(8,162,876)	-	-	(8,162,876)
Retained earnings representing profit not distributed or loss not covered in 2017 Profit/(Loss)	(3,418,539)	-	-	(3,418,539)
Retained earnings from accounting corrections for 2016 and 2017 and 2020 Profit/(Loss)	1,146,755	24,945	(554,427)	617,273
Retained earnings representing profit not distributed or loss not covered in 2018 Profit/(Loss)	(1,318,687)	-	-	(1,318,687)
Retained earnings representing profit not distributed or loss not covered in 2019 Profit/(Loss)	(3,911,129)	-	-	(3,911,129)
Retained earnings representing profit not distributed or loss not covered in 2020 Profit/(Loss)	-	554,865	-	554,865
Profit or loss for the year Profit/(Loss)	687,015	1,441,177	(687,015)	1,441,177
Allocation of profit	(132,150)	(52,590)	132,150	(52,590)
Total equity (Debit)/Credit	(15,572,222)	2,020,987	(1,109,292)	(14,660,528)

At the end of 2022, the Company registered a loss in amount of RON 1,739,671, which will be recovered in the upcoming financial years.

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

ADMINISTRATOR

Name and surname: Athanasios Stratos

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PREPARED BY,

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E-VALUE INTERNATIONAL SA

CASH FLOW STATEMENT

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

Caption	2021	2022
Cash flows from operating activity		
Gross profit	1,441,177	(1,739,671)
Adjustments for:		
Impairment of property, plant and equipment	142,115	150,729
Other provisions	(611,901)	-
Interest from inter-group loans	30,643	82,486
Effect of changes in FX differences	-	-
interest income	-	(8,578)
Cash flows generated by operating activity before changes to working capital	1,002,034	(1,515,034)
Changes in working capital		
(Increase) / Decrease in inventories	152,402	36,089
(Increase) / Decrease in trade and other receivables	2,915,224	(935,752)
Increase / (Decrease) in other payables	(5,983,272)	720,446
Statement of changes in working capital	(2,915,646)	(179,217)
Interest paid for inter-group loans	(27,537)	(28,795)
Interest received	-	8,578
Statement of changes generated by/(used in) operating activities	(1,941,149)	(1,714,468)
Statement of cash flows from investing activities		
Purchases of property, plant and equipment	(16,265)	(57,180)
Statement of cash flows generated by/(used in) investing activities	(16,265)	(57,180)
Statement of cash flows from financing activities		
Loans received from group companies	3,216,265	-
Repayments of loans received from group companies	-	-
Statement of cash flows generated by/(used in) financing activities	3,216,265	-
Net (decrease)/increase in cash and cash equivalents	1,258,851	(1,771,648)
Cash and cash equivalents at the beginning of the year	2,679,294	3,938,145
Cash and cash equivalents at the end of the year	3,938,145	2,166,497

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

ADMINISTRATOR

Name and surname: **Athanasios Stratos**

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Registration no. in the professional body: 6823

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E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

REPORTING ENTITY

These financial statements are presented by E-Value International SA ("the Company").

1 NON-CURRENT ASSETS

a) Property, plant and equipment

	Land and buildings (lei)	Technical installations and machinery (lei)	Other fixtures, plant and furniture (lei)	Advances (lei)	Total (lei)
Gros value					
Balance at January 1, 2022	1,181,327	5,511,606	1,051,758	-	7,744,691
Additions	55,777	-	-	1,400	57,177
Balance at December 31, 2022	1,237,104	5,511,606	1,051,758	1,400	7,801,868
Accumulated value adjustments					
Balance at January 1, 2022	1,132,193	5,506,228	714,857	-	7,353,278
Adjustments during the year	38,531	5,378	106,820	-	150,729
Balance at December 31, 2022	1,170,724	5,511,606	821,677	-	7,504,007
Net book value at January 1, 2022	49,135	5,378	336,900	-	391,413
Net book value at December 31, 2022	66,381	-	230,081	1,400	297,862

b) Financial assets

At December 31, 2022 and December 31, 2021 the Company registers financial assets worth RON 79,504 representing guarantees paid to suppliers according to the contractual provisions.

2 PROVISIONS

During 2022, the Company made no provision for risks and charges.

Provisions for bonuses for 2022 amounting to RON 781,783 are recorded in *Other payables* line, including tax liabilities and social security debts. Provisions for unused vacation days for 2022 amount to RON 642,406.

3 STATEMENT OF DEBTS

At December 31, 2022, the Company has debts due in 2025, representing at December 31, 2022 the loan from OTE PLC, amounting to RON 3,215,810 payable at maturity (July 10, 2024) and the loan in amount of RON 11,131,650 (equivalent of EUR 2,250,000 principal and accrued interest) granted by OTE PLC and due in March 2022 was extended until February 27, 2025.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

4 MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing these financial statements are presented below.

Basis of preparation of financial statements

(1) General information

These financial statements have been prepared in accordance with:

- (i) Accounting Law 82/1991 republished in November 2012 („Legea 82”);
- (ii) Accounting regulations regarding annual standalone financial statements and annual consolidated financial statements, approved by Order of the Ministry of Public Finance of Romania 1802/2014 as revised (“MoPFO 1802/2014”).

Depending on the size criteria presented in MoPFO 1802/2014, the Company falls into the category of medium-sized entities starting 2018, when it meets the size criteria for the fourth year in a row.

(2) Use of estimates

The preparation of financial statements requires the Company's management to make estimates and assumptions affecting the reported amounts of assets and liabilities, the presentation of contingent assets and liabilities at the date of preparation of the financial statements, and the income and expenses reported for that period. Although these estimates are made by the Company's management on the basis of the best information available at the date of the financial statements, the results achieved may differ from these estimates.

(3) Going concern

At December 31, 2022, there are adverse effects of conditions or events indicating the existence of a doubt about the Company's ability to continue its business by applying the going concern principle for a reasonable period of time.

The company recorded a loss of RON 1,739,671 at the end of 2022 (2021: profit of RON 1,441,177). The Company's current assets at December 31, 2022 are lower than the current liabilities by RON 2,847,624 (December 31, 2021: RON 11,889,228).

The Company's ability to continue operating depends on the continued financial support from its shareholders and creditors. The Company's shareholders confirm that they will continue to provide the financial support necessary for the Company to continue its business and meet its obligations as they fall due, for a period of twelve months from the balance sheet date, and that they have sufficient financial resources to do so.

The going concern indicators for the year ended December 31, 2022 are mitigated by the letter of financial support issued on July 26, 2023 by Cosmote Mobile Telecommunications Single Member S.A. and is applicable for 12 months from the issuance of the audit report for the financial statements for the year ended December 31, 2022.

Based on this, management believes that the Company will be able to continue its activity for the foreseeable future and therefore the application of the going concern principle in the preparation of financial statements is justified.

At December 31, 2022, the Company has two outstanding loan agreements concluded with OTE PLC in March 2020 amounting to RON 11,131,650 (the equivalent of EUR 2,250,000) for working capital needs, due on March 07, 2022, which in March 2022 was extended until February 27, 2025, and a loan agreement concluded in July 2021 in amount of RON 3,215,810 (equivalent of EUR 650,000) due on July 10, 2024 (both loans are submitted on a long-term basis). Subsequently, after the balance sheet date, in July 2023, the company received a loan in amount of RON 2,475,050 (equivalent of EUR 500,000), interest payable annually, the interest rate being 4.176%, with a maturity on February 25, 2025.

4 MAIN ACCOUNTING POLICIES (continued)

Basis of preparation of financial statements (continued)

(3) Going concern (continued)

At December 31, 2022, the net assets of the Company, determined as the difference between the total assets and total liabilities of the Company, represent less than half of the value of the subscribed share capital. In accordance with Company law no. 31/1990 republished, when this fact is ascertained, the directors of the Company must immediately convene an extraordinary general meeting of shareholders to decide whether the Company should be dissolved. If the extraordinary general meeting does not decide to dissolve the company, then the Company shall be obliged, at the latest by the end of the financial year following that in which the losses were ascertained and subject to the provisions of art. 10 of Company law no. 31/1990, to reduce the share capital by an amount at least equal to that of the losses that could not be covered from reserves, if during this period the net assets of the company have not been replenished up to a value at least equal to half of the share capital.

Until the date of these financial statements, the Shareholders' Meeting has not taken a decision in this regard.

(4) Presentation currency of the financial statements

The accounts shall be kept in the Romanian language and in national currency. The items included in these financial statements are presented in Romanian lei.

A FX translations

The Company's transactions in foreign currency are recorded at the exchange rates communicated by the National Bank of Romania ("NBR") for the date of transactions. At the end of each month, monetary balances expressed in a foreign currency are converted into lei at the exchange rates communicated by the NBR for the last banking day of the month. Gains and losses arising from the settlement of transactions in a foreign currency and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the income statement as part of the financial result. Advances do not constitute monetary items and are not subject to valuation on the basis of exchange rates.

Property, plant and equipment

(1) Cost/measurement

Property, plant and equipment are valued at acquisition cost.

Maintenance and repairs of property, plant and equipment are expensed when they occur, and significant improvements to property, plant and equipment that increase their value or lifespan, or significantly increase their ability to generate economic benefits, are capitalised.

Regular inspections or general reviews are recognised as a component of the item of property, plant and equipment if the criteria for recognition as an asset are met and if they are significant.

If a fully depreciated fixed tangible asset can still be used, a new amount and a new economic useful life corresponding to the period expected to continue to be used shall be determined at the time of its revaluation.

(2) Depreciation

Depreciation is calculated at entry value using a straight-line method over the expected useful life of the assets as follows:

<u>Asset</u>	<u>Years</u>
Building improvements	Contract duration
Technical installations and machinery	2
Other fixtures, plant and furniture	2 - 9

Depreciation is calculated from the month following commissioning until their entry value is fully recovered.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

4 MAIN ACCOUNTING POLICIES (continued)

Basis of preparation of financial statements (continued)

Property, plant and equipment (continued)

(3) Sale/scrapping of property, plant and equipment

Property, plant and equipment that is scrapped or sold are written off the balance sheet together with the corresponding accumulated depreciation. Any profit or loss arising as the difference between the income generated by the write-off and its undepreciated amount, including expenses incurred in connection with such an operation, is included in the income statement under "Other operating income" or "Other operating expenses", as appropriate.

When the Company recognises in the carrying amount of a property, plant and equipment the cost of a partial replacement (replacement of a component), the carrying amount of the replaced part, with related depreciation, is written off.

Impairment of property, plant and equipment

At year-end, the value of items of property, plant and equipment and intangible assets is reconciled with the stock-count results. For this purpose, the net carrying amount is compared with the value established at stock-count, referred to as the inventory value. Downward differences between the inventory value and the net carrying amount of fixed assets is accounted for on account of additional depreciation in the case of depreciable assets for which impairment is irreversible or an adjustment is made for impairment or loss of value where impairment is reversible. The inventory value is determined according to the utility of the asset, its condition and the market price.

Financial assets

Financial assets include guarantees paid to suppliers according to contractual provisions. Financial assets are recognised in the balance sheet at acquisition cost.

Trade receivables

Trade receivables are recorded at invoiced value less the impairment allowance for such receivables. The allowance for impairment of trade receivables is constituted if there is objective evidence that the Company will not be able to collect all the amounts. The Company's receivables in relation to affiliates/related parties are not provisioned because there are no indications that they will not be recovered.

Short-term financial investments

The company has registered as short-term financial investments guarantees granted.

Cash and cash equivalents

Cash and cash equivalents are shown on the balance sheet at cost. For the cash flow statement, cash and cash equivalents include petty cash, bank accounts.

Share capital

At December 31, 2022, the share capital is worth RON 6,700,000, representing 670,000 shares, with a nominal value of RON 10/share.

During 2022 there were no changes in the share capital.

Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4 MAIN ACCOUNTING POLICIES (continued)

Basis of preparation of financial statements (continued)

Borrowings

Short- and long-term loans are initially recorded at the amount received. The differences between amounts received and the amount receivable are recognised in the income statement over the term of the loan agreement.

Bank fees and charges relating to obtaining long-term loans are recognised on account of accrued expenses. Accrued expenses will be recognised as current expenses in instalments over the repayment period of the loans concerned.

If the Company has an unconditional right to defer the settlement of its loans for at least twelve months after the end of the reporting period, then such liabilities must be classified as non-current. The other loans will be presented as current liabilities.

The short-term portion of long-term loans is classified under "Liabilities: Amounts payable within one year" and included together with interest accrued at the balance sheet date under "Amounts due to credit institutions" under current payables.

Accounting for leases in which the Company is a lessee

(1) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under such a contract (net of any incentives granted by the lessor) are recognised in the income statement on a straight-line basis over the term of the contract.

Trade payables

Trade payables are recorded at the amounts to be paid for goods or services received.

Provisions

Provisions for decommissioning, restructuring, litigation and other provisions for risks and charges are recognised when the Company has a legal or constructive obligation arising from a previous event, when an outflow of resources is likely to be necessary to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for future operating losses.

Employees' benefits

Pensions and other post-retirement benefits

In the normal course of business, the Company makes payments to health, pensions and state unemployment funds on behalf of its employees at statutory rates. All employees of the Company are members of the pension plan of the Romanian state. These costs are recognised in the income statement when wages and salaries are recognised.

The Company does not operate any other post-retirement pension or benefit plan and therefore has no other pension obligations.

Taxation

Current income tax

The Company registers the current income tax based on the taxable profit from tax reporting, according to the relevant tax legislation.

During 2022, the Company recorded no corporate income tax.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

4 MAIN ACCOUNTING POLICIES (continued)

Basis of preparation of financial statements (continued)

Income recognition

Income refers to the services provided by the Company in 2022.

The revenues related to the services provided are recognized as they are provided and accepted by the beneficiary, based on supporting documents (most often invoices).

In these financial statements, income and expenses are presented gross. In the balance sheet, liabilities and receivables from the same partners are shown net at the moment when a right of set-off exists.

Turnover

Turnover represents the amounts invoiced and invoiceable, net of VAT and commercial rebates, for services rendered to third parties.

Operating expenses

Operating expenses are recognised in the period to which they relate.

Operating expenses also include charges for commercial discounts received after invoicing.

Financial expenses

Financial expenses are recognised in the period to which they relate

Correction of accounting errors

The correction of errors regardless of materiality relating to previous financial years does not change the financial statements of those years. In the case of errors relating to previous financial years, their correction does not imply adjustment of comparative information presented in the financial statements. Any impact on comparative information on financial position and financial performance, and changes in financial position, is disclosed in the explanatory notes and adjusted to retained earnings during the year.

5 INFORMATION ON EMPLOYEES AND MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND OTHER KEY PERSONNEL

a) Remuneration of members of the administrative, management and supervisory bodies

	<u>2021</u>	<u>2022</u>
	(lei)	(lei)
Expenses with salaries and benefits:	<u>1,224,166</u>	<u>2,311,053</u>
	<u>December 31, 2021</u>	<u>December 31, 2022</u>
	(lei)	(lei)
Salaries at the end of the period:	<u>415,203</u>	<u>824,039</u>

b) Advances and credits to members of the administrative, management and supervisory bodies

No advances and loans were granted during 2022.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

5 INFORMATION ON EMPLOYEES AND MEMBERS OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND OTHER KEY PERSONNEL (CONTINUED)

c) Employees

The average number of employees during the year was as follows:

	2021	2022
Average number of employees	98	87

Employee salary expenses in 2022 and 2021 were as follows:

	2021	2022
Expenses with staff salaries and allowances	12,586,136	10,833,736
Expenses with insurance and social protection	280,249	269,565

6 OTHER INFORMATION

a) Information regarding the presentation of the Company

E-Value International SA, member of OTE Group and Deutsche Telekom AG, was founded in 2014 having as main object of activity "Activities of call centers" – NACE code 8220.

The company was founded with the purpose of creating a call center and offers a portfolio of complete 24/7 Contact Center services, from customer service and technical assistance, to customer retention and sales solutions. As a partner, the Company supports the strategic needs of its clients and contributes to achieving their objectives of customer relations.

The company has its registered office in Bucharest, sector 2, Str. Dimitrie Pompei no. 5-7, HBC1. The company has 3 secondary offices in Ploiesti, str. Democracy 51, et. 1, Prahova county; in Brasov municipality, str. Turnului no. 5, Coresi Business Park Modules C1, D1, Brasov county and in Pitesti municipality, at str. Nicolae Dobrin no. 109, area of 267.06 sqm, 4th Floor, Arges County.

The share capital of the company is worth RON 6,700,000, consisting of 670,000 registered shares with a value of RON 10.

The Company is registered with the Trade Register under no.: J40/9528/2014, assigned on August 13, 2014.

The shareholding structure at December 31, 2022 was as follows:

- COSMOHOLDING INTERNATIONAL B.V., a company from the Netherlands, headquartered in AMSTERDAM, STRAWINSKYLAAN 411, WTC, TOWER A, 4 FLOOR, 1077XX, holding 99.99% of the share capital, namely 669,933 shares;
- COSMOTE E-VALUE S.A. CONTACT CENTER SERVICES, a company from Greece, with registered office Greece, XANTHI MUNICIPALITY, NATIONAL ROAD KM.6, XANTHI - KAVALA, which holds 0.01% of the share capital, namely 67 shares.

The Directors of the Company are:

- Mr. EVRYVIADIS SARSENTIS - Greek citizen, born on 19.02.1966, in ATHENS, Greece;
- Mr. MAZARAKIS CHARALAMPOS - Greek citizen, born on 03.10.1964, in KERKYRA Greece;
- Mr. KATSARAS ATHANASIOS – Greek citizen, born on 19.10.1967 in VOLOS, Greece;
- Mr. LIAMIDIS KONSTANTINOS – Greek citizen born on 30.09.1952 in PERAIAS, ATTIKI, Greece;
- Mr. STRATOS ATHANASIOS - Canadian citizen born on 14.12.1968 in Toronto, Canada.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

6 OTHER INFORMATION (continued)

a) Information regarding the presentation of the Company (continued)

The consolidated financial statements are prepared by:

- OTE S.A. (99 Kifissias Avenue, Maroussi, Greece);
- DEUTSCHE TELEKOM AG (Bonn, Germany);
- Beneficial owner of the Company: DEUTSCHE TELEKOM AG.

b) Subsequent events

- The company received in July 2023 a loan from OTE PLC in amount of RON 2,475,050 (equivalent of EUR 500,000), interest payable annually, the interest rate being 4.176%, due on 25.02.2025;
- In March 2023, the services agreement between E-VALUE INTERNATIONAL and ORANGE ROMANIA COMMUNICATIONS reached maturity, and it was not extended. This agreement represented approximately 40% of the company's activity.
- Following the termination of the agreement, the activity was restricted, so that the secondary offices in Brasov, Ploiesti and Pitesti on the 4th floor were closed.
- Following the closure of the secondary offices, 27 employees were restructured.

c) Extraordinary income and expenses

The Company did not record extraordinary income and expenses in 2022.

Expenses with third-party services

During 2022 and 2021 financial years, the Company received various services from third parties, detailed as follows:

	2021	2022
	(lei)	(lei)
Staff lease	25,339,185	25,411,493
Royalties, management locations and rentals	2,780,967	3,018,457
Postal charges and telecommunications charges	1,004,810	948,833
Travel expenses, secondments and transfers	72,645	89,025
Entertainment, advertising and advertising expenses	43,584	52,222
Transport costs for goods and personnel	5,707	13,082
Maintenance and repair costs	46,930	76,200
Insurance premiums	16,735	13,600
Banking and similar services	8,699	10,231
Staff training	735	2,298
Other expenses with services performed by third parties	903,677	1,563,529
Total	30,223,674	31,198,970

d) Leases and leaseback operations

The company has operating leases for leased spaces.

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

6 OTHER INFORMATION (continued)

e) Contingent liabilities and commitments granted

The Company has the following commitments:

	December 31, 2022	Within one year	More than one year
	(RON)	(RON)	(RON)
Commitments related to operating leases in which the Company is a lessee – Bucharest-Ngy Properties Investments	4,069,645	1,526,117	2,543,528
Commitments related to operating leases in which the Company is a lessee – Brasov-Coresi	2,965,465	1,016,731	1,948,734
Commitments related to operating leases in which the Company is a lessee – Pitesti-Perini	137,077	137,077	-
Commitments related to operating leases in which the Company is a lessee – Ploiesti	118,948	118,948	-
Total	7,291,135	2,798,873	4,492,262

f) Commitments received

The securities and guarantees received represent letters of guarantee and restricted bank deposits provided as performance bond by the Company's suppliers.

g) Transactions with affiliates/related parties

Nature of transactions with affiliates/related parties:

Company name	Nature of relationship	Type of transactions	Country of origin
OTE International Solutions S.A.	Services procurement	Provider	Greece
Telekom Romania Mobile Communications	Services purchase/sale	Supplier/customer	Romania
COSMOTE - MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A.	Purchase of goods/services	Provider	Greece
OTE PLC	Creditor	Provider	Greece
Cosmote E-Value Contact Center	Services purchases/sales	Supplier/customer	Greece
Cosmoholding International BV	Majority shareholder	Majority shareholder	The Netherlands
DEUTSCHE TELEKOM AG	Services sales	Customer	Germany

E-VALUE INTERNATIONAL SA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

All amounts are expressed in LEI, unless otherwise specified

6 OTHER INFORMATION (continued)

g) Transactions with affiliates/related parties (continued)

(1) Sales of goods and services

	<u>2021</u>	<u>2022</u>
	(RON)	(RON)
Service sales	43,586,569	23,526,514

The decrease in sales is related to the fact that Orange Romania Communications ceased to be an affiliated party as of October 2021. Cooperation with it continued until March 2023.

(2) Purchases of goods and services

	<u>2021</u>	<u>2022</u>
	(RON)	(RON)
Purchases of services	1,673,347	896,809

(3) Balances resulting from the sale/purchase of goods/services

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
	(RON)	(RON)
Claims	7,700,759	5,976,225
Trade debts	1,948,085	2,340,300

(4) Loans from affiliates/related parties

	<u>December 31, 2021</u>	<u>December 31, 2022</u>
	(lei)	(lei)
Loans		
- OTE PLC – principal	14,349,490	14,347,460
- OTE PLC – interest	25,950	79,641

	<u>2021</u>	<u>2022</u>
	(lei)	(lei)
Interest expense	30,643	82,486

The company has two loans registered on December 31, 2022:

- (i) a long-term loan granted by OTE PLC in amount of RON 11,131,650 (equivalent of EUR 2,250,000) as principal and RON 78,969 as accrued interest. The loan due in March 2022 was extended until February 27, 2025, has an annual interest rate of 0.848%, payable annually, every March 6 of each year;
- (ii) a long-term loan granted by OTE PLC in amount of RON 3,215,810 (equivalent of EUR 650,000) as principal and RON 672 as accrued interest, which has as repayment date July 10, 2024 and an annual interest rate was 0.036%, payable annually, every July 10 of each year.

Interest is calculated and recognized monthly in the balance sheet. Loans are not secured.

5. CONTINGENCIES

(a) Court actions

The company is the subject of a number of court actions. The management of the Company believes that these actions will not have a significant adverse effect on the economic results and the financial position of the Company.

(b) Taxation

The tax system in Romania has undergone multiple changes in recent years and is in a continuous process of updating and modernization. As a result, there are still different interpretations of the tax legislation. In certain situations, tax authorities may treat certain matters differently by calculating additional taxes and charges and related interest and late payment penalties. In Romania, the fiscal year remains open for fiscal verification for 5 years. The Company's management considers that the tax obligations included in these financial statements are adequate.

(c) Transfer pricing

Romanian tax legislation includes the principle of "market value", according to which transactions between related parties must take place at arm's length. Taxpayers carrying out transactions with related parties must prepare and make available to the Romanian tax authorities, upon their written request, the transfer pricing file. Failure to submit the transfer pricing file or the submission of an incomplete file may lead to penalties for non-compliance; In addition to the content of the transfer pricing file, tax authorities may interpret transactions and circumstances differently from management's interpretation and, as a result, may impose additional tax obligations resulting from transfer pricing adjustments. The Company's management considers that it will not suffer losses in case of a fiscal control to verify transfer pricing. However, the impact of different interpretations by tax authorities cannot be reliably estimated. This may be material to the Company's financial position and/or operations. The company does not have a transfer pricing file.

(d) Protection of personal data

As of May 25, 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("the Regulation") applies in all Member States of the European Union, including Romania. Failure to comply with the Regulation and national legislation on personal data protection may result in fines of up to 4% of the global turnover of the group to which the Company belongs or EUR 20 million, whichever is higher.

In this context, the Company has taken the necessary steps to ensure compliance and implementation of the provisions of the Regulation, as well as of the national legislation on data protection. However, despite the Company's efforts to ensure compliance with the Regulation, we cannot guarantee that the relevant authorities with interpretation and control power, in particular the Supervisory Authority for Personal Data Processing ("ANSPDCP"), with general competence in the field of personal data protection, will embrace the same conclusions, as they have discretion. Finally, on the compliance of a processing activity with data protection regulations, whenever it exercises its control powers. Thus, ANSPDCP may issue opinions different from those expressed and/or implemented by the Company, which may lead to the application of sanctions and implicitly to the impact of the Company's operations or its financial position.

Authorised and signed on behalf of the Board of Administration on December 6, 2023 by:

ADMINISTRATOR

Name and surname: Athanasios Stratos

Signature _____

Unit stamp

PREPARED BY,

TGS Romania Accounting & TAX Services SRL

Capacity: Authorised legal person member of CECCAR

Registration no. in the professional body: 6823

Signature _____

