

# **TELEMATIC INTERACTIVE BULGARIA PLC**

## **SUMMARY**

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**PART I OF THE PROSPECTUS FOR PUBLIC OFFERING AND ADMISSION TO TRADING OF SHARES**

**ISIN code: BG1100014213**

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**A PUBLIC OFFERING OF THE NUMBER OF 400,000 ORDINARY, DEMATERIALIZED, REGISTERED SHARES WITH A NOMINAL VALUE OF BGN1 1 OF THE CAPITAL INCREASE AND UP TO 400,000 EXISTING ORDINARY, DEMATERIALIZED, REGISTERED SHARES WITH A NOMINAL VALUE OF BGN 1 AND, SUBJECT TO THE SUCCESSFUL COMPLETION OF THE INITIAL PUBLIC OFFERING OF THE SHARES OF THE CAPITAL INCREASE, THE SUBSEQUENT ADMISSION TO TRADING OF ALL THE SHARES OF THE CAPITAL INCREASE**

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**31 December 2021**

## SECTION A: INTRODUCTION AND WARNINGS

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### 1. The name and International Securities Identification Number (ISIN) of the securities

The subject of this public offering are ordinary, registered, dematerialised shares in the capital of Telematic Interactive Bulgaria EAD with ISIN: BG1100014213, abbreviated name of the financial instrument of the securities (FISN): TELEMATIKINTERA/SH BGN4000000, classification code of the financial instrument (CFI): ESVUFR. 400,000 new shares of the capital increase and up to 400,000 existing shares owned by Eldorado Corporation S.A., are offered for subscription.

### 2. Identification data of the Issuer

The Issuer is Telematic Interactive Bulgaria EAD, UIC: 206568976, incorporated under the laws of the Republic of Bulgaria. Legal Entity Identification (LEI) of the Issuer: 254900MAXRCO8KWAYC84 Contact details: address: gr. M.A.QUAXYQAXEY.M.A.QUAXYQAXEY. 1345, Ilinden district, 1345 Ilinden str. Address.

### 3. Identification data of the Proposer

Bidder is Eldorado Corporation, Inc., UIC/PIC 121425308, , incorporated under the laws of the Republic of Bulgaria. Legal Entity Identifier (LEI): 254900T352ZTM1KY2I83 Contact details. Sofia, Ilinden district, ul. Kukush No.7.

### 4. Competent authority approving the prospectus

Financial Supervision Commission of the Republic of Bulgaria, with address. Sofia, ul. "02 9404 999, fax: 02 9404 606, e-mail: delovdostvo@fsc.bg.

### 5. Date of approval of the prospectus

This Prospectus has been approved by Decision No. 77-E./ 27.01.2022 of the Financial Supervision Commission (FSC), in its capacity as competent authority under Regulation (EU) 2017/1129. This approval should not be regarded as an endorsement of the Issuer or confirmation of the quality of the securities subject to this Prospectus.

### 6. Warnings

The summary should be understood as an introduction to the Prospectus. Any decision to invest in the Securities should be based on an investor's consideration of the entire Prospectus. An investor may lose all or part of the capital invested. Where an action is brought in court in respect of information contained in the Prospectus, the claimant investor may, under national law, have to meet the costs of translating the Prospectus before the legal proceedings are commenced. Civil liability is imposed only on the persons who prepared the summary, including a translation thereof, but only where it is misleading, inaccurate or inconsistent with the other parts of the Prospectus when read together with the other parts of the Prospectus or where, when read together with the other parts of the Prospectus, it does not provide material information to assist investors in deciding whether to invest in those securities.

## SECTION B: BASIC INFORMATION ABOUT THE ISSUER

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### 7. Who is the Issuer of the Securities?

#### 7.1. Legal domicile, ICPS, the law under which the issuer operates and the country of incorporation

The Issuer is Telematic Interactive Bulgaria EAD, UIC: 206568976, incorporated and operating under the laws of the Republic of Bulgaria. The Issuer's Legal Entity Identifier (LEI) is: 254900MAXRCO8KWAYC84. The registered office of the Issuer is in the city of. The Issuer's registered office is. 1345, Ilinden district, ul. No. 7, Kukush Street, Ilinden Town, Ilinden City, Bulgaria. Upon successful completion of the Issue, the Company will continue to operate as a joint stock company from a sole shareholder company.

#### 7.2. Principal activity of the Issuer

The company is a licensed online gambling operator. The company operates under the brand name PalmsBet in Bulgaria and offers online slot games, live casino, bingo and table games, as well as sports betting. Through its subsidiary, CYT Interactive Ltd, it offers the use of slot games and platform to online casino operators and online platforms in all jurisdictions where online betting is not prohibited by law.

#### 7.3. Major shareholders

The sole owner of the Issuer's capital is Eldorado Corporation JSC, UIC 121425308, which directly and through subsidiaries operates gaming halls and casinos in Bulgaria and Kenya. The ultimate beneficial owners of the capital are Milo Stratiev Borisov and Rosina Stratieva Borisova, who indirectly (through their controlled companies Telematic AD, UIC 121371433 and R. C. Consult AD, UIC 121340854, holding 10% and 90% of the capital of Eldorado Corporation AD, respectively) control 100% of the Issuer's capital.

#### 7.4. Board of Directors

The Company has a one-tier management system consisting of a Board of Directors. The Board of Directors has a term of office until 30.04.2024 and consists of three natural persons - Zhivka Milanova Atanasova, Desislava Peeva Panova, Lachezar Tsvetkov Petrov. The business address of all members of the Board of Directors is. Sofia, p.k. 1345, Ilinden str. 7. The Company is represented by Desislava Peeva Panova and Lachezar Tsvetkov Petrov together and separately.

## 7.5. Statutory auditors

The annual financial statements of the Issuer for 2018 and 2019 have been certified by Silvia Rangelova, registered auditor at IDES under No. Sofia 1336, g.k. BG BGN 1385, Sofia, registered office no. 317, inc. D, et. 3, app. 71. The Issuer's annual financial statements for 2020 have been certified by the auditing company Grant Thornton Ltd. with UIC: 831716285, registered office and registered address. Registered office and registered office: 872 Tornton Str., Sofia 1421, Sofia 1421 Blvd. No. 26 Cherni Vrah, registered with the IDES under No. 032. The registered auditor responsible for the engagement is Marii Apostolov, registered auditor No. 488.

## 8. What is the basic financial information about the Issuer?

In BGN thousand.	2018*	2019*	2020	9 months 20**	9 months 21**	9months 21cons ***
<b>FINANCIAL RESULTS</b>						
Total revenue	2 054	4 606	28 413	17 638	52 855	53 982
Operating profit (loss)	-51	262	7 950	4 940	15 712	15 801
Net profit	-51	287	7 384	4 787	14 318	14 403
Revenue growth	92%	124%	517%	-	200%	-
Operating margin	-2.5%	5.7%	28.0%	28.0%	29.7%	29.3%
Net margin	-2.5%	6.2%	26.0%	27.1%	27.1%	26.7%
Earnings per share, in BGN ****	-1.74	9.87	253.83	164.55	3.58	3.60
<b>BALANCE SHEET POSITION</b>						
General assets	1 798	2 374	13 209		25 314	25 474
Equity	1 495	1 781	9 165		18 743	18 828
Net financial liabilities*****	-1 050	-904	-4 574		-14 183	-14 627
<b>MONEY FLOWS</b>						
From operational activity	150	829	10 878	7 004	16 687	17 104
From investment activity	-100	-876	-6 687	-5 137	-6 293	-6 265
From financial activity	-6	-	-	-	-281	-281
Effect of changes in exchange rates	-	-1	-5	-3	-14	-15

Data for 2018, 2019 and 2020 are from the audited individual financial statements.

\* for comparability purposes, the data have been reclassified in line with the adopted policy in 2020.

\*\* unaudited interim financial data

\*\*\* unaudited consolidated interim data for 2021 including C&T Interactive Ltd.

\*\*\*\* 2018, 2019, 2020 based on 29,090 shares of BGN 100 each. For 2021, the calculation is based on 4 million shares.

\*\*\*\*\* Customer deposits reduced by cash and cash equivalents, TIB has no financial liabilities.

The independent auditors' reports to the Issuer's 2018, 2019 and 2020 financial statements are unmodified opinions.

## 9. What are the main risks specific to the issuer?

### Regulatory risk

The Issuer operates in an environment of complex regulations affecting its business, which are constantly evolving, often towards increased requirements. In addition to being a licensable activity and the associated additional operational requirements, the Company is also subject to other regulations relating to data protection, anti-money laundering/terrorist financing and anti-corruption measures.

**Failure to maintain a business license.** The main risk is of licence revocation, which would lead to the cessation of operations in the jurisdiction.

**Taxation and fees.** In addition to the tax regulations relating to ordinary business activities, the Issuer is subject to specific requirements such as an annual license fee under Article 30(8) of the Act of 20% on the difference between the value of the stakes received and the profits paid. Taxes and levies imposed by the State form the major share of the costs and, accordingly, an aggravation of these regulations would have a material effect on the company's financial results. There are currently no announced intentions by the relevant government authorities to make changes in this direction.

**Privacy.** The General Data Protection Regulation came into force in 2018 and is binding on all organisations that collect and process personal data. The issuer is required to identify all its customers and store their data. Handling customer funds and collecting personal data requires extremely high standards of information security and database protection. The Company has put in place measures for the effective protection of personal data processed and the possibility to exercise the rights of data subjects provided for in the General Data Protection Regulation by adopting Internal Data Protection Rules.

Frequent or significant changes in the regulatory environment increase the cost of compliance and may result in significant changes in realized revenues and profits. Regulation also carries high penalties for non-compliance and, in certain cases, revocation of the license to operate.

### IT security

Risk of unauthorized access, interruption, modification or destruction of databases. The Issuer maintains the highest standards in security and is certified to ISO 27001:2013 issued by TUV Reinland, a standard for information security protection in the marketing, creation and distribution of online products, including the management of the security of financial, accounting, manufacturing, commercial information and personal data in the development and distribution of online products.

### Failure to comply with technical requirements

The regulator in Bulgaria, the NRA, requires real-time data exchange. Failure to comply with this requirement is grounds for revocation of the business license. The Issuer has put in place the necessary systems to ensure continuous communication as well as timely reporting of problems and timely response procedures.

### Risk related to payment processing

The issuer works with a large number of banks and payment operators and receives and pays out significant amounts to customers. Failure to deliver an order due to financial or technical problems could have a material impact on the Company's business and reputation and could result in financial losses. The Issuer minimises the risk by only working with established operators, doing thorough research to ensure efficient and secure payment services.

It has well-defined customer verification procedures and follows best practices and verification standards.

### Business continuity and recovery from crisis events

This is the risk of internal and external events that could cause the business to cease. The Issuer has put in place systems, processes and rules to minimise this risk and ensure that the process is continuous, Additional capacity is maintained and duplication of key elements of the system is in place to ensure preservation and rapid recovery in the event of disruption.

### Entry of new competitors

The market positions of the current market participants are relatively established and, while growing rapidly, the entry of new operators, particularly those with significant resources to campaign aggressively, could significantly limit an issuer's market share and growth potential.

### Shortage of qualified staff

The technological nature of the business requires a significant capacity of highly skilled professionals in product development and cyber security. Lack of sufficient and qualified personnel would weaken the Issuer's competitive position and increase operational risk.

## SECTION C: BASIC INFORMATION ON SECURITIES

### 10. What are the main characteristics of securities?

#### 10.1. Type, class, ISIN

The securities subject to this public offering are ordinary, registered, dematerialised shares of the capital increase of TELEMATIC INTERACTIVE BULGARIA EAD, UIC: 206568976, ISIN: BG1100014213, CFI code: ESVUFR, FISN code TELEMATIKINTERA/SH BGN4000000 and existing shares with identical characteristics.

#### 10.2. Currency, unit nominal value, total nominal value, number of securities issued and term of securities

Securities shall be issued in Bulgarian lev. The subject of the initial public offering are 400,000 ordinary, registered, dematerialised shares of the capital increase of TELEMATIC INTERACTIVE BULGARIA EAD with a par value of BGN 1 (one lev) each and an issue value ranging from BGN50 (minimum) to BGN75 (maximum). The total nominal value of the shares offered for subscription is BGN 400,000 and the maximum issue value of the shares offered for subscription is BGN 30,000,000. Concurrently with the shares subject to the IPO, up to 400,000 ordinary, registered, dematerialised existing shares in the capital of Telematic Interactive Bulgaria EAD with a par value of BGN 1 (one lev) each and a total par value of BGN 400,000 shall be offered.

The Company's shares are not time restricted.

#### 10.3. Rights materialised in securities

The Capital Increase Shares are of the same class as the 4,000,000 shares of the Company already in issue and carry the same rights to their holders:

- **Voting rights:** each share entitles its holder to one vote in the General Meeting of Shareholders, which right shall be exercised by the persons registered in the central securities register kept by the Central Depository 14 days prior to the date of the General Meeting;
- **Dividend right:** each share entitles its holder to a portion of the Company's profit, proportionate to its nominal value, and the right to receive a dividend is vested in the persons registered in the Central Depository's registers as shareholders on the 14th day following the day of the General Meeting at which the annual financial statements are adopted and the resolution on the distribution of profit is passed;

- **Liquidation Share Right:** each share entitles its holder to a liquidation share in proportion to its nominal value out of the residual assets of the Company on its dissolution;
- **The right to information**, including the right to be acquainted in advance with the written materials on the announced agenda of the General Meeting and to receive them freely upon request; the right to be asked questions at the General Meeting;
- **The right to participate in governance** by deciding on matters within the competence of the General Assembly, including to elect and be elected to the governing bodies;
- **The right to subscribe for a portion of the new shares** upon an increase in the Company's capital, in proportion to the shares held prior to the increase; the right to acquire financial instruments from an issue of convertible bonds or warrants, respectively the share in the capital prior to the issue;
- **Protective rights**, including the right to seek from the District Court of the Company's registered office the annulment of a resolution of the General Meeting contrary to mandatory provisions of the law or the Articles of Association, the right to claim for the protection of membership rights and individual membership rights in the event of their violation by the Company's bodies, the right to request the appointment of registered auditors by the Registry Agency in the absence of such auditors having been elected;
- **Minority rights**, incl. persons holding together or separately at least five per cent of the capital of a public company, may, in the event of inaction by its governing bodies which endangers the interests of the Company, bring before the court claims of the Company against third parties, bring an action before the district court of the Company's registered office for compensation for damage caused to the Company by acts or omissions of the members of the Board of Directors and of the Company's procurators, to request the General Meeting or the District Court to appoint controllers to examine all the Company's accounting records, to request the District Court to convene a General Meeting or to authorise their representative to convene a General Meeting on an agenda set by them, to request the inclusion of items and to propose resolutions on items already included in the agenda of the General Meeting pursuant to Art. 223a of the Commercial Law.

#### 10.4. Order of securities claims in the issuer's capital structure in the event of insolvency

In the event of the insolvency of the Issuer, the claims of shareholders under the Securities shall be satisfied in the insolvency proceedings only if there are residual assets after the claims of all creditors of the Issuer have been satisfied.

#### 10.5. Restrictions on the free transfer of securities

The shares issued by the Company are transferred freely, without restrictions, in accordance with the procedure provided for in the Markets in Financial Instruments Act, Regulation No. 38 of the Financial Supervision Commission on the requirements for the activities of investment intermediaries, the Rules of Procedure of the Central Depository JSC (CD) and the Rules of Procedure of the Bulgarian Stock Exchange JSC (BSE). Trading of the Company's shares on a regulated market will be carried out on the BSE through a licensed investment intermediary, a member of the BSE. The transfer of the shares is effective from the registration with the CS.

#### 10.6. Dividend policy

Pursuant to the Issuer's Articles of Association, which shall come into force subject to the Issuer becoming a public company, dividends shall only be paid if, according to the audited and accepted accounts for the relevant year, the net asset value (the difference between the value of the company's rights and liabilities according to its balance sheet), less dividends and interest payable, is not less than the sum of the company's capital, reserve fund and other funds which the company is required by law or its Articles of Association to establish. The Issuer shall distribute as a dividend not less than 40% of the distributable profits for the relevant year and the Issuer may distribute a lesser proportion of the profits as a dividend if any of the following conditions apply: (a) the sales revenue for the financial year from which the profit is distributable has decreased by more than 25% compared to the previous financial year; (b) the profit for the financial year from which the profit is distributable has decreased by more than 40% compared to the previous financial year; or (c) the interest-bearing debt/equity ratio according to the financial statement for the year from which the profit is distributable exceeds 1. In the event that less than 40% of the profit is distributed as a dividend without any of the conditions in (a)-(c) being met, then that decision must be taken by a majority of more than 85% of the voting shares represented.

#### 11. Where will the securities be traded?

Upon successful completion of the subscription, registration of the Issuer's increased capital in the Commercial Register and registration of the new issue of shares with the CSD, the Company will apply for admission of all shares of the capital to trading on the BSE. No application for admission to trading on other regulated markets, third country markets, SME growth markets or multilateral trading facilities is envisaged. The Issuer's Shares are not traded on any regulated market, third country market, SME growth market or multilateral trading facility as at the date of the Prospectus.

#### 12. Is there a guarantee attached to the securities?

There is no guarantee associated with the securities.

#### 13. What are the main risks specific to securities?

##### **Price risk**

After admission to a regulated market, the price of the Issuer's shares will be determined depending on the supply and demand of shares on the stock exchange, the financial results of the Company, and the news and events announced. The Issuer's equity securities are subject to the risk of adverse price changes over time.

#### **Liquidity risk**

Liquidity risk is the potential ability to buy or sell in short time frames and normal volumes of the securities in the secondary market. The extent to which the Shares will be liquid depends on the number of investors interested in the current offering and the subsequent interest of investors in buying and selling the Issuer's Shares.

#### **Risk that significant transactions in the Company's shares may affect their market price**

If a significant number of shares are offered for sale, the stock price may decline.

### **SECTION D: BASIC INFORMATION ABOUT THE PUBLIC OFFERING.**

#### **14. Under what conditions and on what schedule can I invest in these securities?**

The subject of the public offering are (a) 400,000 new ordinary, registered, dematerialised shares of the issuer's capital increase with a par value of BGN 1 (one) each and an issue value ranging from BGN (50fifty) to BGN (75seventy-five). each and (b) Subject to available investment interest, the sole owner of the Issuer's capital, Eldorado Corporation plc, will offer up to 400 additional ordinary,000 registered, dematerialised shares of the Issuer with a par value of BGN 1 (one) each on the same terms as the offered shares of the capital increase. Following the approval of this prospectus for the public offering of shares by the FSC, the Board of Directors of the Issuer shall publish a notice of the public offering, and the date of the notice shall be deemed to be the commencement of the public offering. Persons wishing to acquire the Offer Shares (from the Capital Increase or, in the case of subscriptions in excess of the New Shares offered, from the Existing Shares offered by this Prospectus) shall submit their applications through the Licensed Investment Firms on each Business Day of the Subscription Period. The payment of the issue value of the subscribed shares shall be made to a special account of the Issuer, the payment of the existing shares allotted to the respective investor shall be made to the account of the Offeror, and the respective accounts will be indicated in the public offering announcement. The estimated total expenses of the Issue amount to BGN713,316 75 per Share at full subscription at a maximum price of BGN 75 per Share and BGN 353.316 per Share at full subscription at a minimum price of BGN 50 per Share, and they shall be borne by the Company. There are no offering-related expenses charged by the Issuer to investors. The Capital Increase will have a dilutive effect on the proportion of capital represented by an Old Share. In the event that the full Offer Shares are subscribed for from the Capital Increase, 400,000 New Shares will be issued and the proportion of the Company's capital represented by one Old Share will fall from 0.000025% to 0.00002273%.

#### **Expected supply schedule**

Date of publication of the Prospectus	01.02.2022
Date of disclosure of the announcement of the public offering under Art. 1 of the Securities Act to the Issuer and the authorised investment firm	02.02.2022
Start date for submission of applications for subscription, respectively purchase of shares	10.02.2022
Closing date for submission of applications for subscription, respectively purchase of shares	17.02.2022
Notification of the submitters of the ranked orders - directly or through the authorised IP through whom the order was submitted	18.02.2022
Closing date for payment of the acquired shares and delivery of the purchased existing shares	22.02.2022
Registration of the capital increase in the Commercial Register	01.03.2022
Registration of the subscribed shares in investors' accounts with the Central Securities Office	09.03.2022
Registration of the issue with the FSC	16.03.2022
Start of trading with the shares on the BSE	23.03.2022

*Note: The exact date may be before or after the specified date.*

The Issue Managers and the sole owner of the Issuer's capital shall rank the submitted orders on the basis of the following criteria: 1. the asking price; 2. the ranking of orders shall take into account the target allocation of the issue above 10% to individual clients and above 10% to institutional investors; 3. the ranking shall take into account the target avoidance of concentration of a significant block of shares in a single investor; 4. the preservation of the full subscription of the issue after application of the above principles. The execution price for all orders shall be the lowest price per accepted ranked order.

#### **15. Who is the proposer?**

The offeror of up to 400,000 existing shares subject to this public offering is Eldorado Corporation S.A., UIC 121425308, incorporated, existing and carrying on business under the laws of the Republic of Bulgaria, with its registered office and registered address in the city of Eldorado, Bulgaria. Sofia, p.k. 1345, Ilinden district, ul. No. 7.

#### 16. Why was this prospectus drawn up?

The purpose of this IPO is to raise funds that will be used to enter new markets - Peru and Ukraine. The expected net proceeds from the issue are between BGN 19,646,684 and BGN 29,286,684, which are expected to be used in a ratio of 40% for Peru and 60% for Ukraine. The funds will be used to establish a local office, pay licensing fees and mainly for marketing expenses until a profit is achieved. The funds may also be used for the acquisition of an existing local operator, subject to availability. In this case, most of the funds would be directed to the state where the acquisition would take place. If fewer than the projected funds are raised, they will be prioritised for launching operations in Peru, with the speed and intensity of implementation of market entry plans dependent on the amount of funds available. In addition to the shares from the capital increase, the sole owner of the capital will offer existing shares in order to increase the proportion of free-trading shares and achieve higher liquidity.

The undersigned, in his/her capacity as the Issuer's Chief Executive Officer, declares by his/her signature below that the Summary complies with the requirements of MiFID, Regulation (EU) 2017/1129 and their implementing acts:

SIGNATURE

**Lachezar Petrov**  
Executive Director of  
"Telematic Interactive Bulgaria EAD

The undersigned persons, legal representatives of the Offeror, by their signatures below declare that this Summary complies with the requirements of MiFID, Regulation (EU) 2017/1129 and their implementing acts:

SIGNATURE

**Rudi Bakov**  
Executive Director of  
"Eldorado Corporation JSC

SIGNATURE

**Silvia Doncheva**  
Chairman of the Board of Directors of  
"Eldorado Corporation JSC