EASY CREDIT

EASY ASSET MANAGEMENT AD

Activity Report
Non-financial Declaration
Independent Auditor's Report
Individual Financial Statements

For the year ending 31 December 2023

ACTIVITY REPORT

The present annual management activity report of EASY ASSET MANAGEMENT AD is prepared in line with the requirements of chapter seven of the Bulgarian Accountancy Law and Commercial Law.

Management presents its Individual Financial Statements for the year ending 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU"). This Individual Report has been audited by MGI Delta OOD.

CORPORATE INFORMATION

"EASY ASSET MANAGEMENT" AD, EIC: 131576434 (the "Company" or "Company") is a joint-stock company established on December 8, 2005, operating in Bulgaria. The headquarters and address of the Company's management are: 28 Jawaharlal Nehru Blvd., Sofia, Bulgaria. The company is represented jointly and separately by Galin Todorov Todorov and Angel Vasilev Madjirov - Executive Directors.

As of 31.12.2023, "Easy Asset Management" AD is managed by a Board of Directors, with a mandate until 01.10.2025. The Board of Directors consists of the following members:

- Galin Todorov Todorov;
- Angel Vassilev Madjirov
- Ivelina Tsankova Kavurska;
- Nedelcho Yordanov Spasov;
- Stanimir Svetoslavov Vassilev.

The members of the Board of Directors are disclosed in Note 26.3 Related parties transactions of the dislcosure notes accompanying these individual financial statememnts .

Participation of members of the Board of Directors in commercial companies as unlimited partners, ownership of more than 25 percent of the capital of another company, as well as their participation in the management of other companies or cooperatives as procurators, managers or board members.

Galin Todorov Todorov does not participate in commercial companies as a general partner, does not own more than 25 percent of the capital of another company.

Angel Vasilev Madzhirov does not participate in commercial companies as a partner with unlimited liability, does not own more than 25 percent of the capital of another company. Participates in the management of:

1. Management Financial Group AD – Member of the Board of Directors;
2. Sofia Fin Invest Private Limited – Executive Director and member of the Board of Directors;
3. Easy Asset Management DOO Beograd. – Executive Director.

Ivelina Tsankova Kavurska does not participate in commercial companies as a general partner. Owns more than 25 percent of the capital of "Troyan Vacation Complexes" EOOD (Sole owner of the capital) and 11235 LTD (sole owner of the capital. Participates in the management of:

1. 11235 Ltd – Executive Director;
2. 11235 LTD – Executive Director;
3. MFG Micro-credit Ghana Limited – Executive Director;
4. EASY INDIVIDUAL SOLUTIONS, SA de CV, SOFOM ENR – Executive Director and member of the Board of Directors;
5. April Services Ltd. – Executive Director;

6. Access Asset Management, SA de CV – Executive Director;
7. MANAGEMENT FINANCIAL GROUP AD – Member of the Board of Directors;
8. Chiron Management AD – Member of the Board of Directors;
9. Agency for control of outstanding debts SRL – Member of the Board of Directors;
10. April Finance EAD – Member of the Board of Directors.

Nedelcho Yordanov Spasov does not participate in commercial companies as a general partner. Owns more than 25 percent of the capital of the following companies: Management Financial Group AD, Chiron Management AD; "New Pay" EAD; "Setap Services" AD - in liquidation. Participates in the management of:
1. Liquid Dreams Ltd. – Executive Director;
2. Chiron Management AD – Executive Director and member of the Board of Directors;
3. MFG Partners EOOD – Executive Director;
4. MFG Invest AD – Executive Director and member of the Board of Directors;
5. Miafora Limited – Executive Director and member of the Board of Directors;
6. New Pay AD – Executive Director and member of the Board of Directors;
7. MFG Digital Limited – Executive Director and Member of the Board of Directors;
8. SEAWINES AD – Member of the Board of Directors;
9. EASY ASSET MANAGEMENT IFN SA – Member of the Board of Directors;
10. "MFG Foundation" FOUNDATION - Member of the Board of Directors;
11. April Finance EAD – Member of the Board of Directors;
12. Access Finance Inc. – Member of the Board of Directors.

Stanimir Svetoslavov Vasilev does not participate in commercial companies as a general partner. Owns more than 25 percent of the capital of the following companies: Management Financial Group AD, Chiron Management AD; "New Pay" EAD; "Setap Services" AD - in liquidation. Participates in the management of:
1. Liquid Dreams Ltd. – Executive Director;
2. Chiron Management AD – Executive Director and member of the Board of Directors;
3. EASY INDIVIDUAL SOLUTIONS, SA de CV, SOFOM ENR – Executive Director and member of the Board of Directors;
4. MFG Invest AD – Executive Director and member of the Board of Directors;
5. Doorstep Consulting Services, SA de CV – Executive Director and member of the Board of Directors;
6. MFG Digital Limited – Executive Director and Member of the Board of Directors;
7. SEAWINES AD – Member of the Board of Directors;
8. Fintrade Finance AD – Member of the Board of Directors;
9. EASY ASSET MANAGEMENT IFN SA – Member of the Board of Directors;
10. Prospect Capital EAD – Member of the Board of Directors;
11. Seawines Spirit AD – Member of the Board of Directors;
12. Agency for control of outstanding debts SRL – Member of the Board of Directors;
13. April Finance EAD – Member of the Board of Directors;
14. New Pay AD – Member of the Board of Directors;
15. Access Finance Inc. – Member of the Board of Directors.

Subsidiaries
The Company owns 100% of Easy Credit LLC ("Subsidiary"). The subsidiary is registered in accordance with Ukrainian legislation and regulatory requirements regarding non-banking financial institutions. The value of the initial registered capital of the Subsidiary Company is 6,922 Ukrainian hryvnias, which on the date of capital registration was equivalent to 800 thousand euros or 1,565 thousand BGN. As of 31.12.2023, the capital is in the amount of 14,970 thousand BGN.

The Company owns 100% (99.999938%) of SC Easy Asset Management IFN AD ("Subsidiary"). The Subsidiary Company is registered in accordance with Romanian legislation and regulatory requirements regarding non-banking financial institutions, with a total number of shares - 459 800. and capital in the amount of BGN 861 thousand (equivalent to EUR 440 thousand). The currency in which the capital of the Subsidiary is registered is Romanian lei. As of 31.12.2023, the capital of the Romanian company is BGN 5 770 thousand, equivalent to EUR 2 950 thousand (13 722 thousand lei).

The company owns 100% of Ai Credit SP.Z.O.O. ("Subsidiary"), established in 2014. The Subsidiary is registered in accordance with Polish legislation and regulatory requirements regarding non-banking financial institutions. The value of the registered capital of the Subsidiary is BGN 2 thousand (equivalent to PLN 5 thousand) as of the date of establishment. In 2016, a decision was made to increase the capital to 200 thousand zlotys. In 2023, a decision was made to increase the capital to 1,000 thousand zlotys.

The company owns 99.60% of Easy Payment Services EOOD ("Subsidiary"), established in 2016. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria. The value of the capital at the time of registration is BGN 1 000 thousand. The activity of the Subsidiary Company is related to the execution of payment operations, issuance of payment instruments and/or acceptance of payments with payment instruments. As of 31.12.2023, the registered capital is BGN 14 900 thousand.

The company owns 98% of Easy Asset Management Asia Microfinance ("Subsidiary"), established in 2016. The Subsidiary Company is registered in accordance with the legislation and regulatory requirements of the Republic of the Union of Myanmar. The value of the registered capital of the Subsidiary is USD 200 thousand, equivalent to BGN 345 thousand at the date of establishment. Since 2019, the company has not carried out commercial activity and has started its liquidation.

In 2017, "Easy Asset Management" EAD initiated the acquisition of the shares of the local division of the British group for non-bank consumer lending International Personal Finance (IPF) - "Provident Financial Bulgaria" OOD. The company owns 100% of Financial Bulgaria EOOD ("Subsidiary"), the value of the registered capital at the time of acquisition being BGN 51 million. It is registered in accordance with the legislation and regulatory requirements of the Republic of Bulgaria. In 2019, actions were taken to restructure the capital of the Subsidiary and it was reduced to BGN 1 500 thousand.

In 2019, the Company purchased from Access Finance OOD 100% of the shares of Financial Company M Cash Macedonia DOOEL Skopje ("Subsidiary"), established in 2014. The Subsidiary Company is registered in accordance with the legislation of the Republic of North Macedonia and the regulatory requirements regarding non-banking financial institutions. In 2023, the value of the registered capital of the Subsidiary increased and reached EUR 800 thousand.

The company owns 98% of A.D.P.K Easy Individual Solutions F.D.M.D. ("Subsidiary"), incorporated on 07/29/2019. The Subsidiary is registered under the laws of Mexico. The value of the registered capital is 402 thousand Mexican pesos (equivalent to BGN 37 thousand) at the date of incorporation. In 2023, the company did not carry out any commercial activity.

In 2020, the Company purchased 100% of the shares of Easy Asset Services EOOD ("Subsidiary"), established in 2008. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria and its subject of action is asset management. The value of the shares at the time of purchase is BGN 5 000, and with a non-cash contribution (capitalization of the granted loan) the capital reaches BGN 13 405 000.

In 2021, Easy Asset Management AD entered the Albanian market with its subsidiary Easy Asset Management ShPC. The subsidiary is registered under the laws of Albania. The value of the registered capital is 15 492 thousand Albanian Lek (equivalent to BGN 250 thousand) and is 100% owned by the Company.

In 2021, Easy Asset Management d.o.o., a Subsidiary, registered in accordance with the legislation of Croatia, was established. The Subsidiary Company will carry out its activities with a local partner, owning 50% of the registered capital, equivalent to BGN 46 thousand.

In 2022, Easy Asset Management AD entered the Spanish market with its subsidiary Easy Asset Management Iberia SL. The subsidiary is registered under the laws of Spain. The value of the registered capital is EUR 3 thousand (equivalent to BGN 6 thousand) and is 100% owned by the Company.

Shareholder structure

As of December 31, 2023, the Company's capital is BGN 8 503 000, divided into 8 503 000 shares of BGN 1 each, as follows:

Shareholders	Number of shares	Value of a share in BGN	Total value in BGN	% of capital
Management Financial Group AD	7 517 931	1.00	7 517 931	88.42%
Angel Vassilev Madjirov	34 012	1.00	34 012	0.40%
Galin Todorov Todorov	17 006	1.00	17 006	0.20%
Ivelina Tsankova Kavurska	8 503	1.00	8 503	0.10%
Blagoi Petrov Kozarev	420 898	1.00	420 898	4.95%
Dimitar Vasilev Raychev	420 898	1.00	420 898	4.95%
Miroslav Ivanov Angelov	17 006	1.00	17 006	0.20%
Apostle Ustianov Mushmov	8 510	1.00	8 510	0.01%
Petar Blagovestov Damyanov	8 503	1.00	8 503	0.10%
Zdravko Antonov Yakimov	8 503	1.00	8 503	0.10%
Tsvetan Petkov Krastev	8 503	1.00	8 503	0.10%
Hristo Iliyanov Mitrovski	5000	1.00	5000	0.06%
Maria Stavreva Velkova	4 252	1.00	4 252	0.05%
Martin Staykov Yanev	4 252	1.00	4 252	0.05%
Pravda Georgieva Baremova	4 252	1.00	4 252	0.05%
Gergana Milkova Dimitrova	4 252	1.00	4 252	0.05%
Blagovest Yordanov Vitanov	4 252	1.00	4 252	0.05%
Radostin Yuriev Bogdanov	4 252	1.00	4 252	0.05%
Vasil Kirilov Kirov	438	1.00	438	0.01%
Nikolina Todorova Stancheva	349	1.00	349	0.00%
Vasil Hristov Nikolov	284	1.00	284	0.00%
Ivan Stoyanov Terziyski	271	1.00	271	0.00%
Angelina Mihova Terzieva	238	1.00	238	0.00%
Vladimir Todorov Inchovsky	167	1.00	167	0.00%
Elenka Stefanova Chuchuranova	159	1.00	159	0.00%
Georgi Ognyanov Mitov	157	1.00	157	0.00%
Jordan Penev Georgiev	152	1.00	152	0.00%
Total capital	8 503 000	1.00	8 503 000	100%

Each ordinary share gives the right to one vote in the General Shareholders' Meeting, the right to a dividend and a liquidation share. The right to a dividend and a liquidation share is determined in proportion to the nominal value of the share. The company did not acquire and transfer its own shares as of December 31, 2023, and December 31, 2022, and does not own any. The company may buy back its shares under the conditions and order provided by law.

GENERAL OVERVIEW

"Easy Asset Management" AD is a non-banking financial institution, with a focus in the field of microcredit and uses the trademark Easy Credit. The company provides small unsecured short-term loans to customers with low or moderate incomes. The company carries out its activity through a wide distribution network, which consists of nearly 200 offices in the country.

As of December 31, 2023, the total number of employees on employment contract amounts to 1 559 people.

In the financial year 2023, "Easy Asset Management" AD realized a profit after taxation in the amount of BGN 20 131 thousand. The net income from interest, fees and penalties , in the amount of BGN 102 573 thousand, was formed by received interest income and fees in the amount of BGN 106 260 thousand and accrued expenses for interest and fees in the amount of BGN 3 687 thousand.

Based on its provisioning policy, in 2023, the Company charged expenses for impairment of financial assets in the amount of BGN 1 741 thousand.

The operating expenses related to the maintenance of the Company amount to BGN 93 663 thousand, a detailed breakdown can be seen in the notes to the AFS.

As of 31.12.2023, the total assets of the Company are BGN 266 134 thousand.

Receivables under granted loans are in the amount of BGN 221 919 thousand.

As of 31.12.2023, Easy Asset Management AD's total equity amounts to BGN 181 256 thousand.

The management of the company currently observes the following financial indicators:

Coefficients	2023 year	2022 year	Difference	
	Value	Value	Value	%
Profitability				
On equity	0.12	0.15	-0.03	-23%
On the assets	0.08	0.10	-0.02	-20%
On liabilities	0.25	0.29	-0.04	-15%
On sales revenue	0.20	0.25	-0.05	-19%
Liquidity				
Total liquidity	1.43	2.15	-0.73	-34%
Financial autonomy				
Financial autonomy	0.68	0.67	0.01	1%
Indebtedness	0.32	0.33	-0.01	-3%

Development, results of the activity and state of the company in 2023.

" Easy Asset Management " AD (Easy Credit) is among the largest companies in Bulgaria for non-bank consumer loans granted to customers' homes and one of the fastest growing in its segment in Eastern Europe. And in 2023, Easy Credit continues to make its services more and more accessible and userfriendly. It lends money nationwide with the help of more than 2,000 credit counselors and nearly 200 offices serving more than 1,200 localities. Apart from Bulgarian Post branches, loans are also offered by more and more partners of the Company. Customers have the opportunity to apply for a loan entirely through the Easy Credit website or mobile application. The partnership with Western Union, which started in 2019, allows receiving and sending money quickly and easily to/from anywhere in Europe. Through one of its subsidiaries - "Financial Bulgaria" EOOD, Easy Credit offers its users the provision of a guarantor when granting loans. Against a certain fee and conditions, the guarantee company undertakes to repay the debts to the lending company. In June 2023, Easy Credit started a successful partnership with ZD "MFG Instinct" EAD, offering its customers an insurance product that protects and supports them in unforeseen circumstances related to their health.

Since its launch more than 18 years ago, the Easy Credit group has granted more than 3 million loans in Europe. For the past year 2023, nearly BGN 232 million have been allocated as loans to consumers (BGN 223 million in 2022) or a growth of 4.07%. The sums collected for the period are nearly BGN 327 million. (BGN 319 million in 2022) or a growth of 2.63%. The gross credit portfolio of the company as of December 2023 is BGN 94 million or a growth of 4.77% compared to the previous year.

Bulgaria - Portfolio dynamics (in thousand BGN)

	2023 year	**2022 year**	**Change %**
Wallet:			
Granted amounts	232 089	222 633	4.07%
Amounts collected	327 428	318 823	2.63%
Accounts Receivable:			
Total	93 563	89 103	4.77%
of which regular	39 620	31 450	20.67%
from 4 to 90 days	28 703	28 289	1.44%
from 91 to 360 days	24 268	28 413	-17.08%
with indefinite maturity (incl. judicial)	972	951	2.06%
Active customers	124 064	130 392	-5.10%
Number of loans granted	264 817	272 784	-3.01%

In its activity, the company operates in a highly developed and competitive financial services market, which is why it is affected by price risk. Part of the Company's competitors are banking and financial institutions that have access to a cheap financial resource, providing them with an advantage in the pricing of competitive products.

"Easy Asset Management" AD manages the risk of non-payment by the customers of the sums due on loans and the interest due through developed internal rules for managing the credit activity. The rules regulate the requirements for granting loans, classification of risk exposures and formation of provisions for impairment losses.

In order to manage credit risk, the Company has developed strict procedures for the analysis and evaluation of potential borrowers, including developed scoring procedures and detailed verification of the provided data. Easy Credit has an effective system for monitoring payments, as well as active measures to collect receivables. Management carefully monitors its exposure to this risk at each stage of the loan.

In terms of liquidity, Easy Asset Management AD at all times maintains liquid assets (including cash and current accounts) sufficient to satisfy the demand for loans and cover current payments. This is necessary due to the special distribution network of the Company - over 200 regional offices and over 2,000 credit consultants, who need to have available funds on a daily basis in order to be able to realize one of their main goals of quick and easy service and granting of credit.

	2023	**2022**
Consultants	2 163	2 088
Offices	198	226
Loans	264 817	272 784

Going concern

Easy Asset Management AD's management considers that the Company is and will continue as a going concern entity and has no plans or intentions to discontinue its activities.

Fair value of financial assets and liabilities

Fair values of loans and receivables, as well as liabilities to third parties, are determined using a present value model based on agreed cash flows, taking into account credit quality, liquidity and costs; their fair value does not differ materially from their net carrying amount. The fair values of contingent liabilities and non-cancellable loan liabilities correspond to their carrying amounts.

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amount is close to their fair value. This assumption also applies to demand deposits and time savings deposits.

IFRS 7 "Financial Instruments: Disclosure" requires the explanatory notes to the financial statement to contain information on the determination of fair value in accordance with IFRS 13 "Fair Value Measurement" of financial assets and liabilities that are not presented at fair value in the statement of financial condition. IFRS 13 defines a hierarchy of valuation techniques, depending on the extent to which the inputs to the models are observable or unobservable. Inputs that can be monitored include market information obtained from external information sources; unobservable inputs include the Company's assumptions and judgments.

These two types of inputs define the following hierarchy of fair value estimates:

- Level 1 – quotes from active markets for identical financial instruments. This includes listed equity and debt instruments
- Level 2 – inputs other than Level 1 data that can be observed directly or indirectly (ie can be derived from market prices).
- Level 3 – inputs that cannot be observed and/or based on external market information. This group includes instruments whose significant components cannot be observed.

The above hierarchy of valuation methods requires the use of market information whenever possible. When performing the evaluations, the Company takes into account relevant observable market prices in cases where this is possible.

Fair value of financial instruments:

	As of December 31 , 2023		*As of December 31, 2022 (restated)*	
Financial assets	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Cash and cash equivalents	2 283	2 283	2 621	2 621
Microloans granted to individuals	92 381	92 381	78 386	78 386
Individually significant loans granted to individuals and legal entities	129 538	129 538	103 608	103 608
Other assets	3 774	3 774	26 631	26 631
Total financial assets	**227 976**	**227 976**	**211 246**	**211 246**
Financial liabilities				
Loans received	45 582	45 582	26 891	26 891
Lease liabilities	4 729	4 729	1 939	1 939
Trade and other payables	24 118	24 118	47 275	47 275
Total financial liabilities	**74 429**	**74 429**	**76 105**	**76 105**

The following table provides information on the financial instruments for which fair value disclosure is required in accordance with IFRS 7, distributed according to the valuation methods used as of 31 December 2023:

	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets				
Cash and cash equivalents	2 283	-	-	2 283
Microloans granted to individuals	-	-	92 381	92 381
Individually significant loans granted to individuals and legal entities	-	-	129 538	129 538
Other assets	-	-	3 774	3 774
Financial liabilities				
Loans received	-	-	45 582	45 582
Lease liabilities	-	-	4 729	4 729
Trade and other payables	-	-	24 118	24 118

The main risks faced by the Company are market and operational risk.

- Market risk

The Company is exposed to market risk, which is the probability that the fair value or cash flows associated with financial instruments will vary due to changes in market prices. Market risks arise primarily from positions in interest rate, currency and equity products that are exposed to general and specific market movements and changes in the level of market rate or price dynamics. Due to the specificity of the Company's financial instruments, it is primarily exposed to interest rate risk.

✓ Interest rate risk

Interest rate risk related to cash flows can occur when changes in market interest rates affect future cash flows from financial instruments. A possible interest rate risk related to the fair value is that when the value of a financial instrument changes due to a change in market interest rates.

The company is exposed to both risks – related to fair value and related to cash flow. Interest margins may increase as a result of these changes, which in turn would limit potential losses to the Company arising from changes in market interest rates. Trade and other receivables / liabilities are not interest-bearing.

- ✓ Currency risk

Fluctuations in exchange rates affect the Company's financial position and cash flows. As a result of the currency board, the Bulgarian lev is pegged to the euro at a leva-to-euro ratio of 1.95583/EUR, which means that positions in this currency do not lead to significant currency risk unless the ratio is changed in the future.

- Operational risk

Operational risk is the risk of losses due to systems failure, human error, fraud or external events. When the established control systems and activities do not prevent such events, operational risks may damage the reputation, have legal or regulatory consequences or lead to financial losses for the Company. The Company does not expect to eliminate all operational risks, but strives to manage these risks by building a good control environment, as well as by monitoring and managing potential risks. Control measures include effective segregation of duties, definition of access rights, authorization of transactions, and reconciliation of information from different sources, training and evaluation of personnel, and other types of control.

The company benefits from all the new approaches, bordering on art, which contribute to optimeasyng the balance sheet according to the business objectives. Invests in a team of big data analysts leading in terms of knowledge and performance (data scientists). There are outstanding software developments in risk assessment and monitoring.

Another priority is related to the ability to respond to the increasingly demanding legislative framework for processes related to money laundering, customer identification, storage and protection of customer data, etc. In this direction, investments were made at the group level (MFG) in a technological partner and in a complete solution unique to our market, which is already used in various markets of the Group. The solution provides fully digital full team scoring compatibility – checks in all sanction lists, negative media, special scoring that is customized for each product. This platform also provides transaction monitoring. Processes unique to Bulgaria have been developed for deep identification and customer identification. Cybersecurity training is part of the onboarding process of every employee, along with training on GDPR and AML , as new and new forms of training on the topics are introduced regularly in the organization and are passed at each company level.

Actions in the field of research and development

The company has not taken any action in this direction.

Company’s branches

The company has no branches located in the country or abroad.

Capital management

The Company's capital management objectives are to maintain a strong capital base to ensure the Company's ability to continue as a going concern and to provide conditions for development. There were no changes in the capital management approach during the period.

The leverage ratio (the ratio of net debt to total equity) as of December 31, 2023 and December 31, 2022 is as follows:

	December 31, 2023	December 31, 2022 (restated)
Total debt capital	84 878	84 250
Reduced by Cash and Cash Equivalents	(2 283)	(2 621)
Net debt capital	82 595	81 629
Equity	181 256	163 265
Total capital	**263 851**	**244 894**
Debt ratio	**0.31**	**0.33**

Contracts under Art. 240b of the Commercial Law concluded during the year

In 2023, the members of the Board of Directors or persons related to them did not enter into any contracts with "Easy Asset Management" AD, which go beyond the Company's usual activity or significantly deviate from the market conditions.

Information on the acquisition of own shares, required pursuant to Art. 187e of the Commercial Law

The company has not acquired and does not own its own shares.

Human capital management

One of the main priorities of the Company is the continuous improvement, training and development of employees. The directions in which we work are:

- Increasing technical skills and
- The successful creation, management and participation in teamwork

The Company's annual budgets include mandatory funding for the development of the technical and soft skills of all employees at every level in the organization. The internal training system is constantly upgraded with content to meet specific and growing needs, both for internal training on various topics such as cybersecurity and personal data processing, and for the acquisition of new knowledge and skills and the upgrading of existing ones.

Additionally, people have access to various online learning resources.

Responsibility to society

"Easy Asset Management" AD, as part of the MFG group, creates sustainable business models, using group resources (human, technological, financial and time) efficiently and effectively to promote a sustainable business environment inside and outside the group.

The main mission, goal and activity of the Company - to provide an opportunity for financial inclusion to everyone regardless of their current social and financial status, influences the development of communities and economies not only at the local but also at the national level.

The Company's work also affects the lives and businesses of our clients.

The regional divisions of the Company, as well as the centralized structures, periodically participate in projects to improve the urban environment, incl. with the Company's funds and with the employees' personal funds and voluntary work.

In order for employees to feel useful and satisfied, it is necessary not only to offer them interesting and profitable work, high social status and harmonious relations in the family, but also to have the opportunity to return to society at least a little of what they received through charity or voluntary work. It is an integral part of the general policy of the company and the Group (MFG), which further increases their commitment and inspiration.

At the group level, a calendar has been developed with internal activities aimed at the well-being of employees and at the development of local communities, environmental protection and support for vulnerable groups.

Calendar 2024

January - Humanity Month: focus on volunteering as an act, relationships with colleagues, customer service, ethical funding.

March - Women's Empowerment Month: focus on career development, harmony between work and private life, support of victims of violence with voluntary work and material assistance.

April - Earth month with a focus on environmental protection.

May is the month of innovation with a focus on the innovation of products, services and business processes.

June - month of the children in the group with a focus on their personal growth.

July-August – a month of responsibility with a focus on the development of local communities and causes recognized by the group (child health, sports, support of vulnerable groups).

November - men's health month with a focus on physical and mental health in the group, support and mutual aid, career and personal growth.

Responsible management

For years, Easy Asset Management AD, as part of MFG, has been building its management structure with a focus on sustainability. The company strictly follows its values and principles of responsible behavior with its customers, employees, collaborators and partners.

The Company observes a uniform code of ethics, has working policies for reporting irregularities, and develops a categorical policy of non-discrimination, including in pay, on the basis of gender, sexuality, ethnicity and origin.

Statistics show that the predominant percentage of employees are women, with which the Company fulfills in practice its commitment to gender equality, in addition to its processes of attracting, hiring and retaining talent and for the social integration of vulnerable groups in society. As of 31.12.2023, the total number of employees in the Company is 1 559, in a ratio of 70.81% women against 29.19% men (as of 31.12.2022, the total number of employees in the Company is 1 534, in a ratio of 70,53% women vs. 29.47% men).

The Company has a code of ethics with a whistleblowing policy and anti-corruption policy.

Conditions are being created for Easy Asset Management AD to be a company where:

- people are hired and promoted on their merits (results and professional experience);
- opportunities for development exist and where a work-life balance is achieved;
- teamwork within individual business units is valued;
- people have the opportunity to develop their full potential;
- compliance with competitive standards in terms of remuneration, in accordance with the business strategy, philosophy and values of the Company;
- feedback is encouraged in every activity and in every workplace. Opinions and opinions are sought and accepted from employees, actively participating in solving problems in the Company;

- Managers develop their leadership qualities;
- Employees are encouraged to be proactive and deal with change constructively, anticipating it where possible;
- People are incentivized to proactively manage risks in their daily tasks.

Ecology and environmental protection

The management of the Company pays attention to the reasonable way of using resources in order to optimize expenses and protect the environment. Highlights:

- Separate collection of waste in offices;
- Separate collection and recycling of batteries and depreciated office and other equipment;
- Collection and delivery of plastic caps;
- Reduction of paper documentation;
- Support of various environmental protection initiatives at the local and national level;
- Reducing the energy used - turning off work equipment, sparing use of air conditioners and lighting equipment;
- Direct purification of drinking water;
- Reduction of used water resources with the use of modern techniques.

Important events that occurred after the end of the reporting period

For the period after the date of the report, the Company has not identified significant or corrective events that are related to its activity and that should be separately disclosed or require changes to the individual financial statement as of December 31, 2023.

Planned development of the Company and prospects for 2024

The correct attitude and the security, discretion, speed and convenience that Easy Credit provides to its customers are the leading reasons why consumers prefer the Company's loans.

We continue to follow the strategy of expanding into new markets in Europe, where the services we provide are well known and sought after by consumers. Our ambitions are to establish ourselves as one of the leaders in our sector in the region in the long term. Our strategy also envisages expansion into new markets outside of Europe.

Responsibilities of management

The management of "Easy Asset Management" AD has prepared the financial report for 2023, which gives a true and fair view of the state of the Company at the end of the year and its accounting results. The financial report is prepared in accordance with International Financial Reporting Standards (IFRS).

The management confirms that it has consistently applied an adequate accounting policy and that in the preparation of the financial statements as of December 31, 2023, the principle of prudence has been observed in the assessment of assets, liabilities, income and expenses.

The management also confirms that it has adhered to the current accounting standards, and the financial statements have been prepared on the going concern basis.

The management is responsible for the correct keeping of the accounting registers, for the expedient management of the assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

Galin Todorov
Executive Director

Date: 24.09.2024

NON-FINANCIAL STATEMENT OF "EASY ASSET MANAGEMENT" AD FOR 2023

This non-financial statement has been prepared in accordance with the requirements of Art. 41 and Art. 48 of the Accounting Law and is an integral part of the Annual Activity Report.

1. Business model

"Easy Asset Management" AD is a joint-stock company established on December 8, 2005, and operating in Bulgaria. The Company's headquarters and management address are: 28 Jawaharlal Nehru Blvd., Sofia, Bulgaria. The main activity of the Company, in accordance with the Law on Credit Institutions, is the granting of loans with funds not raised through public attraction of deposits or other recoverable funds.

As of the date of preparation of this financial statement, the Company is managed by a Board of Directors consisting of 5 persons and represented by two executive directors.

2. Company Policies

Environmental policy

"Easy Asset Management" EAD does not produce any product and does not carry out activities related to the pollution of the environment and water.

Social policy

For the Management of "Easy Asset Management" AD, it is of great importance that the employed personnel are satisfied with their work and feel empathetic with the problems and achievements of the Company. The Company considers that social benefits for the personnel are an important prerequisite for the economic development of the Company and staffing with highly qualified personnel.

Employee Policy

Driven by the serious shortage of qualified labor and the dynamics of the market situation, the Company's Management is focused on constant care in order for every employee to feel satisfied with the provided working conditions and the provided opportunities for personal and professional development. The main tasks before the Management are the following:

- **Equality and respect for human rights**

The Company's management strictly observes the Constitution and laws of the Republic of Bulgaria and, in particular, all other normative acts concerning labor-legal relations. There is equality in employment, with no discrimination based on gender, race, nationality, ethnicity, citizenship, religion, political affiliation, disability and age.

- **Occupational health and safety**

The Company's management appreciates the importance of providing additional benefits in the field of health insurance, as a key tool for motivation and retention, and through a contract with a health insurance company offers additional health coverage to all employees under an employment contract with the Company.

- **Professional development**

The Company's management gives every employee the opportunity to improve their qualifications by participating in seminars and training courses.

Gender equality in management positions

The Company effectively practices the equal treatment of men and women in their appointment to management positions, as well as the balanced representation of men and women in the decision-making process.

Anti-corruption policy

"Easy Asset Management" AD does not tolerate any form of bribery and corruption. In particular, the Company agrees to refrain from any actions and behavior that could be perceived as active or passive bribery.

Major environmental risks

The Company's activity does not lead to the creation of environmental risks.

Galin Todorov
Executive director

Date: 24.09.2024

mgi delta
AUDIT & TAX

28, Hristo Botev Blvd., floor 3
1000 Sofia, Bulgaria
Tel: +359 88 4500 565
office@mgidelta.com
www.mgidelta.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Easy Asset Management AD
ID Nr: 131576434
Sofia, Bulgaria

Report on the Audit of the Financial Statements

Opinion

We have audited the individual financial statements of Easy Asset Management AD („the Company"), which comprise the individual statement of financial position as of December 31, 2023, and the individual statement of profit or loss and other comprehensive income, individual statement of changes in equity and individual cash flow statement for the year then ended, and notes to the individual financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) applicable in European Union.

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 Auditor's Responsibilities for the Audit of the Individual 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 Standards for Independence) (IESBA Code) together with the ethical requirements of the Independent Financial Audit Act (IFAA) that are relevant to our audit of the individual financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of IFAA and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Loans Lended

As of December 31, 2023, the individual financial statements include:

- Gross value of microloans granted to individuals in the amount of BGN 93,563 thousand (December 31, 2022: BGN 88,152 thousand) and Expected credit loss in the amount of BGN 1,182 thousand (December 31, 2022: BGN 9,766 thousand), as presented in Note 11 to the individual financial statements;
- Gross value of individually significant loans granted in the amount of BGN 139,760 thousand (December 31, 2022: BGN 112,219 thousand) and Expected credit loss in the amount of BGN 10,222 thousand (December 31, 2022: BGN 8,611 thousand), as presented in Note 12 to the individual financial statements;
- Impairment loss of financial assets, recognized in the individual statement for comprehensive income, in the amount of BGN 1,741 thousand (2022: BGN 11,054 thousand), as presented in Note 6 to the individual financial statements.

See also the following notes to the individual financial statements:

- 2.4 Financial Instruments
- 25.A Credit Risk

Key Audit Matter	*How this key audit matter was addressed in our audit*
The impairment represents a significant management judgment regarding the losses incurred within the Company's credit portfolio. Management evaluates the need for loan impairment on an individual and portfolio basis. The loans lended represent a significant part (83%) of the Company's total assets as of December 31, 2023. The company applies an impairment model based on expected credit losses (ECL) in accordance with the requirements of IFRS 9 Financial Instruments. Determining the impairment of loans by applying this model involves the use of a significant level of judgment by the Company's Management, due to the high level of complexity	In this area, our audit procedures included: Gaining an understanding of the process of determining the ECL for loan impairment, including the models for calculating the ECL on a collective and individual basis. Evaluation of the adequacy of accounting policies and impairment methodology based on the requirements of IFRS 9 and our understanding of the Company's business. Inquiries to employees in the Company's risk management, internal audit and information technology departments in order to gain an understanding of the ECL calculation process, the IT applications used in it, the main data sources and the assumptions used in the ECL model.

Key Audit Matter	*How this key audit matter was addressed in our audit*
in determining the amount of expected credit losses. Expected credit losses are calculated using available historical data and expected future developments. The statistical models used are based on the probability of default and the expected amount of loss given default. The key inputs used to measure ECL are: Probability of Default (PD); Loss Given Default (LGD); and Exposure to Default (EAD). Due to the materiality of the loans lended as an element of the Company's individual financial statements, as well as the high degree of inherent uncertainty in the approximate estimates of ECL, we have defined this matter as a key audit matter.	Gaining an understanding and evaluation of internal controls related to the determination of loans impairment. With respect to impairment calculated on a collective basis, we reviewed the methodology used by the Company to determine it, the reasonableness of the underlying assumptions and the completeness and accuracy of the input data. With respect to impairment calculated on an individual basis, for a risk-based sample of loans, a detailed review of credit files and an analysis of the assumptions and judgments used by the Company in determining the amount of expected future cash flows. Evaluation of the adequacy, completeness, and relevance of the Company's disclosures related to loan impairment losses.

Information Other than the Individual Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the individual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual 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.

Responsibilities of Management for the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with IFRS applicable in European Union and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual 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.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 IFAA and 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 individual 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 individual 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 auditor's report to the related disclosures in the individual 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 auditor's 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 individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Additional Matters to be Reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the Activity report and the Non-financial declaration, we have also performed the procedures added to those required under ISAs in accordance with the "Guidelines on new and extended audit reports and communication by the auditor" of the professional organization 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 a position about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

Position regarding Art. 37, paragraph 6 of the Accountancy Act

Based on the procedures performed our position is that:

(a) The information included in the Activity report and the Non-financial declaration referring to the financial year for which the individual financial statements have been prepared is consistent with those individual financial statements.

(b) The Activity report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

(c) The Non-financial declaration has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

INDEPENDENT AUDITOR'S REPORT

Reporting in accordance with Art. 10 of Regulation (EU) No 537/2014 in connection with the requirements of Art. 59 of the Independent Financial Audit Act

In accordance with the requirements of the Independent Financial Audit Act in connection with Art. 10 of Regulation (EU) No 537/2014, we hereby additionally report the information stated below.

- MGI Delta LLC was appointed as a statutory auditor of the financial statements of Easy Asset Management AD („the Company") for the year ended 31 December 2023 by the general meeting of shareholders held on 29 September 2023 for a period of one year.
- The audit of the financial statements of the Company for the year ended 31 December 2023 represents third total uninterrupted statutory audit engagement for that entity carried out by us.
- We hereby confirm that the audit opinion expressed by us is consistent with the additional report, provided to Company's audit committee, in compliance with the requirements of Art. 60 of the Independent Financial Audit Act.
- We hereby confirm that we have not provided the prohibited non-audit services referred to in Art. 64 of the Independent Financial Audit Act.
- We hereby confirm that in conducting the audit we have remained independent of the Company.

ОДИТОРСКО ДРУЖЕСТВО
София
Рег. № 177
Ем Джи Ай Делта ООД

Vladimir Kolmakov
Managing Partner and Registered Auditor in charge for the engagement
MGI Delta LLC

September 24, 2024
Sofia

EASY ASSET MANAGEMENT AD
INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME
For the year ending 31 December 2023
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	2023	2022 (restated)
Income from interest, fees and penalties		106 260	100 165
Interest and fee expenses		(3 687)	(2 869)
Net income from interest, fees and penalties	3	**102 573**	**97 296**
Dividend income	4	13 860	29 464
Other operating income, net	5	1 709	847
Impairment loss of financial assets	6	(1 741)	(11 054)
Impairment loss on investments in subsidiaries	13	(1 488)	(5 963)
Share of results of joint ventures	14	(46)	-
Personnel expenses	7	(70 281)	(64 077)
General administrative and other operating expenses	8	(23 382)	(21 894)
Operating profit before income tax		**21 204**	**24 619**
Income tax expense	9	(1 073)	448
Profit for the year		**20 131**	**25 067**
Other comprehensive income for the year, net of tax			
Actuarial loss		(140)	57
Total comprehensive income for the year		**19 991**	**25 124**

The notes form an integral part of this financial statement

This financial statement was approved on 24.09.2024

Executive director

Galin Todorov

Preparer

Diana Stefanova

According to the report of the independent auditor
Auditing company "MGI Delta" OOD

Vladimir Kolmakov
Manager and registered auditor responsible for the audit

24-09-2024

ОДИТОРСКО ДРУЖЕСТВО
София
Рег. № 177
Ем Джи Ай Делта ООД

EASY ASSET MANAGEMENT AD
INDIVIDUAL STATEMENT OF FINANCIAL POSITION
as of December 31, 2023
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	December 31, 2023	December 31, 2022 (restated)	1 January 2022 (restated)
ASSETS				
Cash and cash equivalents	10	2 283	2 621	2 219
Microloans granted to individuals	11	92 381	78 386	88 423
Individually significant loans granted	12	129 538	103 608	89 213
Other assets	13	3 774	26 631	14 215
Investments in Subsidiaries	14	32 474	33 265	33 384
Investments in joint ventures	15	-	46	-
Property, plant and equipment	16	588	612	471
Intangible assets	17	187	159	178
Right-of-use assets	18	4 661	1 939	2 173
Deferred tax assets	19	248	309	285
TOTAL ASSETS		**266 134**	**247 576**	**230 561**
LIABILITIES AND EQUITY				
PASSIVES				
Loans received	20	45 582	26 891	29 899
Lease liabilities	21	4 729	1 939	2 173
Trade and other payables	22	34 545	55 481	59 274
Income tax liability		22	-	74
TOTAL LIABILITIES		**84 878**	**84 311**	**91 420**
EQUITY				
Share capital		8 503	8 503	8 503
Reserves		15 827	15 967	15 910
Retained earnings		156 926	138 795	114 728
TOTAL EQUITY	23	**181 256**	**163 265**	**139 141**
TOTAL LIABILITIES AND EQUITY		**266 134**	**247 576**	**230 561**

The notes form an integral part of this financial statement
This financial statement was approved on 24.09.2024

Executive director
Galin Todorov

Preparer
Diana Stefanova

According to the report of the independent auditor
Auditing company "MGI Delta" OOD

Vladimir Kolmakov
Manager and registered auditor responsible for the audit

24-09-2024

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 177 Ем Джи Ай Делта ООД

EASY ASSET MANAGEMENT AD
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
For the year ending 31 December 2023
(All amounts are in thousands of BGN, unless otherwise stated)

	Share capital	Reserves	Retained earnings	Total Equity
Balance on January 1, 2022	8 503	15 910	117 099	141 512
Changes in opening balances due to corrections of errors from prior periods	-	-	(2 371)	(2 371)
Recalculated balance on January 1, 2022.	**8 503**	**15 910**	**114 728**	**139 141**
Total comprehensive income for the year, incl.		*57*	*25 067*	*25 124*
Profit for the year	-	-	25 067	25 067
Other components of comprehensive income, net of taxes		57	-	57
Transactions with owners reported directly in equity	-	-	*(1 000)*	*(1 000)*
Distributed dividend	-	-	(1 000)	(1 000)
Balance on 31 December 2022	**8 503**	**15 967**	**138 795**	**163 265**
Total comprehensive income for the period, incl.		*(140)*	*20 131*	*19 991*
Profit for the period	-	-	20 131	20 131
Other components of comprehensive income, net of taxes		(140)	-	(140)
Transactions with owners reported directly in equity	-	-	*(2000)*	*(2000)*
Distributed dividend	-	-	(2000)	(2000)
Balance on 31 December 2023	**8 503**	**15 827**	**156 926**	**181 256**

The notes form an integral part of this financial statement

This financial statement was approved on 24.09.2024

Executive director

Galin Todorov

Preparer

Diana Stefanova

According to the report of the independent auditor
Auditing company "MGI Delta" OOD

Vladimir Kolmakov
Manager and registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 177 Ем Джи Ай Делта ООД

24 -09- 2024

EASY ASSET MANAGEMENT AD
INDIVIDUAL CASH FLOW STATEMENT
For the year ending 31 December 2023
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	2023	2022
Cash flows from operating activities			
Payments for microloans granted to individuals		(231 789)	(214 537)
Proceeds from repayments of microloans granted to individuals		255 863	238 450
Payments on granted individually significant loans		(44 533)	(51 101)
Proceeds from repayments of granted individually significant loans		23 301	38 479
Payments related to personnel		(66 513)	(62 340)
Receipts from customers		99 006	101 891
Payments to suppliers		(53 794)	(53 914)
Corporate profit tax paid		(240)	(737)
Other (payments)/receipts for main activity, net		(364)	1 003
Net cash flows used in operating activities		**(19 063)**	**(2 806)**
Cash flows from investing activities			
Purchase of fixed assets		(539)	(502)
Payments for Investments in Subsidiaries		(756)	(4 400)
Dividend income		12 766	8 410
Net cash flows from investment activity		**11 471**	**3 508**
Cash flows from financing activities			
Dividends paid		(1 988)	(994)
Loans received		14 742	4 135
Repayments on loans received, including interest		(3 092)	(1 239)
Payments under lease contracts		(2 408)	(2 203)
Net cash flows from financing activities		**7 254**	**(301)**
Net increase/ (decrease) in cash and cash equivalents		**(338)**	**402**
Cash and cash equivalents on January 1		**2 621**	**2 219**
Cash and cash equivalents at 31 December	10	**2 283**	**2 621**

The notes form an integral part of this financial statement

This financial statement was approved on 24.09.2024

Executive director — Galin Todorov

Preparer — Diana Stefanova

According to the report of the independent auditor
Auditing company "MGI Delta" OOD

Vladimir Kolmakov
Manager and registered auditor responsible for the audit

ОДИТОРСКО ДРУЖЕСТВО София Рег. № 177 Ем Джи Ай Делта ООД

24-09-2024

1. General information

1.1. Legal status

"EASY ASSET MANAGEMENT" AD (the "Company") is a joint-stock company established on December 8, 2005, operating in Bulgaria, EIC 131576434 . The headquarters and address of the Company's management are: 28 Jawaharlal Nehru Blvd., Sofia, Bulgaria. The company is managed by a Board of Directors, which consists of:

- Stanimir Svetoslavov Vasilev – Chairman of the Board of Directors;
- Nedelcho Yordanov Spasov – Member of the Board of Directors;
- Ivelina Tsankova Kavurska – Member of the Board of Directors;
- Galin Todorov Todorov – Member of the Board of Directors and Executive Director;
- Angel Vasilev Madzhirov – Member of the Board of Directors and Executive Director.

The company is represented jointly and separately by Galin Todorov Todorov and Angel Vasilev Madzhirov – Executive Directors.

The share capital was not increased during the year. The number of issued ordinary shares is 8,503,000 with a nominal value of BGN 1, amounting to a total share capital of BGN 8,503,000 as of December 31, 2023. Each ordinary share gives the right to vote in the General Meeting of Shareholders, the right to a dividend and liquidation share. Each share gives the right to one vote. The right to a dividend and a liquidation share is determined in proportion to the nominal value of the share. The company can buy back its shares under the conditions and order provided by law.

1.2. Subject of activity

"Easy Asset Management" EAD is a non-banking financial institution, with a focus in the field of microcredit and uses the trademark Easy Credit. The company provides small unsecured short-term loans to customers with low or moderate incomes. The company carries out its activity through a wide distribution network, which consists of almost 200 offices in the country. As of December 31, 2023, the total number of employees on an employment contract amounted to 1,559 people (as of December 31, 2022: 1,534 people).

The company has the following investments in subsidiaries:

- Easy Credit LLC (Ukraine) – 100%
- SC Easy Asset Management IFN AD (Romania) – 100% (99.999938 %)
- Ai Credit SP.Z.O.O. (Poland) – 100%
- Payment Services EOOD (Bulgaria) – 99.60%
- Easy Asset Management Asia Microfinance (Myanmar) – 98%
- Financial Bulgaria EOOD – 100%
- A.D.P.K Easy Individual Solutions F.D.M.D. (Mexico) – 98%
- M Cash Macedonia LLC Skopje (North Macedonia) – 100%
- Easy Asset Services EOOD (Bulgaria) – 100%
- Easy Asset Management ShPC (Albania) in liquidation - 100%
- Easy Asset Management d.o.o. (Croatia) – 50%
- Easy Asset Management Iberia SL (Spain) – 100%

In accordance with the requirements of IFRS 10 "Consolidated Financial Statements", the Company also prepares a consolidated financial statement.

The ultimate parent company, which compiles a consolidated financial statement for the largest group of enterprises in which the Company is included, is "Management Financial Group" EAD.

2. Accounting policy

The main accounting policies applied in the preparation of this Individual Financial Statement are set out below. These policies have been consistently applied for all reporting periods presented, unless otherwise stated.

The individual financial statement includes: statement of comprehensive income for the year, statement of financial position as of December 31, statement of changes in equity for the year, statement of cash flows for the year and explanatory notes thereto. It has been prepared in compliance with the historical cost principle, with the exception of items in the statement of financial position requiring presentation at fair value in accordance with applicable accounting standards. The Company classifies its expenses according to their nature.

2.1. Basis for preparing the individual financial statement

These financial statements have been prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU"). The reporting framework "IFRS adopted by the EU" is regulated in item 8 of the additional provisions to the Accounting Act, such as the International Accounting Standards (IAS), adopted in accordance with Regulation (EC) 1606/2002 and including the International Accounting Standards, the International Standards for financial reporting and related interpretations, subsequent amendments to these standards and related interpretations, future standards and related interpretations issued or adopted by the International Accounting Standards Board.

2.1.1 Comparative data

The company has agreed to present comparative information in its financial statements for a previous period.

When, for the purposes of a more reliable presentation of the reporting objects and operations, it is necessary to make changes in their classification and their presentation as separate components of the financial statement, the comparative data for the previous year are reclassified in order to achieve comparability with the current reporting period. In the event of a change in accounting policy, correction of an error from a previous period or a change in the presentation of financial information, the correction is reflected with retroactive effect and the Company presents an additional report on the financial position at the beginning of the comparative period.

2.1.2 Going concern principle

This Individual Financial Statement has been prepared on the basis of the going concern principle. As of the date of preparation of the individual financial statements, management has made an assessment of the Company's ability to continue as a going concern, taking into account all available information for the foreseeable future, which is at least, but not limited to twelve months from the date of the statement of financial position.

2.1.3 Level of liquidity and maturity structure

The company presents the report on its financial condition generally by degree of liquidity. An analysis regarding the settlement of liabilities is presented in Note 17.B.2. An analysis of the recovery of assets or the settlement of liabilities within twelve months after the date of the statement of financial position (current) and after more than 12 months after the date of the statement of financial position (non-current) is presented in the notes to the financial statement.

(All amounts are in BGN'000, unless otherwise stated)

2.1.4 Changes in accounting policy and errors

The Company accounts for changes in accounting policy retroactively, adjusting the opening balance of each affected item of capital for the previous presented period, as well as other comparative amounts disclosed in the previous presented period, as if the newly adopted accounting policy had always been applied.

The company retroactively corrects material errors from previous periods by recalculating the comparative amounts for the presented previous period in which the error occurred.

(a) Correction of an error from previous accounting periods

In 2023, an error committed during the previous reporting periods 2020, 2021 and 2022 was identified - the Company sent to Financial Bulgaria EOOD (in its role as a guarantee company under contracts for microloans provided by the Company) unfounded requests for payment of sums due from microcredit borrowers. After payment of the sums of money, the Company ceded the loans to Financial Bulgaria EOOD.

The Company has restated the error by applying the approach provided in IAS 8 Accounting Policy, Changes in Accounting Estimates and Errors, i.e. retroactively, having recalculated the comparative information from the previous reporting periods. The correction has had an impact on the financial results for 2020, 2021 and 2022.

Effect of the adjustment on the Statement of Comprehensive Income

For the year 2022	Reported before	Correction	Restated
Impairment loss of financial assets	(6 175)	(4 879)	(11 054)
Operating profit before tax	**29 498**	**(4 879)**	**24 619**
Income tax expense	(40)	488	448
Profit for the period	**29 458**	**(4 391)**	**25 067**
Total comprehensive income for the period	**29 515**	**(4 391)**	**25 124**

Effect of the adjustment in the Statement of Financial Position

As of 31.12.2022	Reported before	Correction	Restated
Microloans granted to individuals	85 899	(7 513)	78 386
Other assets	25 880	751	26 631
Total assets	**254 277**	**(6 762)**	**247 515**
Retained earnings	145 557	(6 762)	138 795
Total Equity	**170 027**	**(6 762)**	**163 265**
Total equity and liabilities	**254 277**	**(6 762)**	**247 515**

(All amounts are in BGN'000, unless otherwise stated)

As of 01.01.2022	**Reported before**	**Correction**	**Restated**
Microloans granted to individuals	91 057	(2 634)	88 423
Total assets	**233 195**	**(2 634)**	**230 561**
Corporate tax liability	337	(263)	74
Total liabilities	**91 683**	**(263)**	**91 420**
Retained earnings	117 099	(2 371)	114 728
Total Equity	**141 512**	**(2 371)**	**139 141**
Total equity and liabilities	**233 195**	**(2 634)**	**230 561**

2.1.5 New Standards and Clarifications

Initial application of new amendments to existing standards that came into force during the current reporting period

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU have entered into force for the current reporting period:

- **Amendments to IAS 17 Insurance contracts** effective from 1 January 2023, adopted by the EU;
- **Amendments to IAS 8 Accounting Policy** , Changes in Accounting Estimates and Errors: Definition of Accounting Estimates Effective January 1, 2023 Adopted by the EU;
- **Amendments to IAS 1 Presentation of Financial Statements** , IFRS Statements of Appendix 2: Disclosure of Accounting Policies Effective January 1, 2023 Adopted by the EU;
- **Amendments to IAS 12 Income Taxes** : Deferred taxes related to assets and liabilities arising from single transactions effective from 1 January 2023 adopted by the EU;
- **Amendments to IFRS 17 Insurance contracts** : Initial application of IFRS 17 and IFRS 9 - Comparative information effective from 1 January 2023, adopted by the EU.

The adoption of these amendments to the existing standards did not lead to significant changes in the Company's financial statements.

Standards and amendments to existing standards issued by the ISMS and adopted by the EU, which have not yet entered into force

As of the date of approval of this financial statement, the following new standards issued by the ISMS and adopted by the EU have not yet entered into force:

- **Amendments to IAS 1 Presentation of Financial Statements** (effective from 1 January 2024):
  • Classification of current and non-current liabilities (issued on January 23, 2020);
  • Classification of current and non-current liabilities - postponement of the effective date issued on July 15, 2020); and
  • Non-current liabilities with covenants (issued on 31 October 2022)
- **Amendments to IFRS 16 Leases:** Lease Liability on Sale and Leaseback (issued 22 September 2022 – effective 1 January 2024).

New standards and amendments to existing standards issued by the ISMS that have not yet been adopted by the EU

Currently, the IFRS adopted by the EU do not differ significantly from those adopted by the IASB, except for the following new standards, amendments to existing standards and new clarifications that have not yet been approved by the EU at the date of approval of these financial statements (the effective dates below are for the full IFRSs):

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:** Disclosures: Financing Arrangements with Suppliers (issued 25 May 2023).
- **Amendments to IAS 21 Amendments from Changes in Exchange Rates:** Lack of Substitutability (issued on 15 August 2023).

The Company expects that the adoption of these new standards, amendments to existing standards and new clarifications will not have a material effect on the Company's financial statements in the period of their initial application.

Hedge accounting relating to portfolios of financial assets and liabilities whose principles have not been adopted by the EU is still unregulated.

In the Company's judgment, the application of hedge accounting for portfolios of financial assets and liabilities in accordance with **IAS 39 Financial Instruments - Recognition and Measurement**, would not have a material effect on the financial statements if applied at the reporting date.

2.2 Functional currency and recognition of exchange differences

(a) Functional currency and presentation currency

The individual elements of the Company's financial statements are valued in the currency of the main economic environment in which the company operates ("functional currency"). The individual financial statement is presented in thousand Bulgarian leva, which is the functional and presentation currency.

The Bulgarian lev is pegged to the euro (EUR) by means of the currency board mechanism introduced in the Republic of Bulgaria on January 1, 1999.

(b) *Transactions and Balances*

Transactions in foreign currency are transformed into functional currency, applying the official exchange rate of the Bulgarian National Bank for the relevant day. Gains and losses from changes in exchange rates arising as a result of payments for transactions in foreign currency, as well as from revaluation at the closing exchange rate of assets and liabilities denominated in foreign currency are recognized in the income statement.
The gain and loss from foreign currency transactions that relate to receivables and cash are presented in the income statement as "finance income or expense". All other gains and losses are presented in the income statement as 'other (losses)/gains - net.

Monetary assets and liabilities in foreign currency are reported at the closing exchange rate of the BNB as of the reporting date.

Significant exchange rates:

	December 31 2023 leva	**December 31 2022 leva**
1 US dollar is equal to	1.76998	1.83371
1 euro is equal to	1.95583	1.95583

2.3 Recognition of income and expenses

Interest income and expense

For all financial instruments reported at amortized cost, interest-bearing financial assets classified as available-for-sale and financial instruments reported at fair value, interest income and expenses are reported as "interest income" and "interest expense" in the financial statement , using the effective interest rate method. It is a method of calculating the amortized cost of a financial asset or financial liability and allocating the interest income or interest expense for the relevant period. The effective interest rate is the interest rate that accurately discounts the estimated future cash flows for the life cycle of the financial instrument, or when necessary – a shorter period, relative to the net carrying amount of the financial asset or financial liability.
In calculating the effective interest rate, the Company estimates cash flows that take into account all contractual terms of the financial instrument (eg prepayment options), but does not take into account future credit losses. The calculation includes all fees and commissions paid or received between the parties to the contract that form an integral part of the effective interest rate, transaction expenses and all other premiums and discounts given or received.

Income from and expenses for fees and commissions

Revenues from fees and commissions are accrued at the time the service is rendered. Fees received for providing services for a specified period of time are accrued within that period of time. Revenues from fees for provided guarantees are recognized according to the validity period of the issued guarantee. Fees for loan commitments that are most likely to be withdrawn and other credit-related charges are deferred (together with any additional expenses) and recognized by changing the effective interest rate on the loan.

Revenue from penalties

Income from penalties and in the event of non-fulfillment of the contractual liabilities of borrowers under granted loans are recognized in proportion to the term of the loan. In cases of early repayment, the residual amount of the claim is recognized as income on the date of early repayment.

Income from ceded receivables

Revenues from ceded receivables represent amounts collected in excess of the carrying amount of the ceded receivable.

Customer loyalty programs

Loans granted under customer loyalty programs represent a separate identifiable component of the transaction under which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the loans and the other components of the transaction. Loans granted under loyalty programs are reported as an adjustment to the carrying amount of the loan portfolio and interest income for the period.

Dividend income

Dividend income is recognized when the right to receive payment arises.

Revenue from contracts with customers

The company recognizes revenue from contracts with customers, in accordance with the settlement of the performance obligation embedded in the contract, according to the rules of IFRS 15 Revenue from contracts with customers, namely:

- if the performance obligation is satisfied at a specific point in time ("point in time"), the related revenue is recognized in profit or loss when the service is provided,

- if the performance obligation is satisfied over time, the related revenue is recognized in profit or loss to reflect the progress of the performance of such liability.

To determine whether and how to recognize revenue, the Company uses the following 5 steps:
1. Identifying the contract with a customer
2. Identification of performance obligations
3. Determining the price of the transaction
4. Allocation of transaction price to performance obligations
5. Revenue recognition when performance obligations are satisfied.

Operating expenses are recognized in profit or loss when the services are used or on the date they are incurred.

2.4 Financial Instruments

Classification

According to IFRS 9 Financial Instruments, the Company classifies financial assets based on the financial asset management business model and the contractual cash flow characteristics of the financial asset as (1) measured at amortized cost, (2) measured at fair value through other comprehensive income and (3) measured at fair value in profit or loss.

A financial asset is classified as measured at amortized cost if the following conditions are met:
- The financial asset is held within a business model that aims to collect the agreed cash flows, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are only payments of principal and interest on the principal balance.

Financial assets in the Amortized cost category comprise debt instruments (loans granted) whose business model is held to collect cash flows. The business model may be such that the assets are held for the purpose of collecting the contractual cash flows even if the Company sells the financial assets when there is an increase in the credit risk of the asset. In order to determine whether there is an increase in the credit risk of the assets, the Company takes into account all reasonable and reasoned information, including the estimated one. Regardless of their frequency and value, sales driven by an increase in the credit risk of the assets are not incompatible with a business model whose objective is to hold financial assets to collect contractual cash flows, as the credit quality of the financial assets is relevant on the Company's ability to collect contractual cash flows. The business model used by the Company in relation to loans granted is "held for collection". The company sells a financial asset when the asset's credit risk is increased, which is not inconsistent with this model.

A financial asset is classified as measured at fair value through other comprehensive income if the following conditions are met:
- The financial asset is held within a business model whose purpose is to collect the contractual cash flows and sell, and
- The contractual terms of the financial asset give rise to payments on specified dates of cash flows that are only payments of principal and interest on the principal balance.

A financial asset is classified as measured at fair value through profit and loss if it is not measured at amortized cost or fair value through other comprehensive income.

Initial recognition

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to a financial instrument contract. When the Company initially recognizes a financial asset or liability, it classifies and measures it in accordance with the requirements of IFRS 9 mentioned above.

The trade date is the date on which the Company undertakes to buy or sell a financial asset or financial liability. In terms of reporting, the trade date refers to (a) the recognition of the asset to be received or the liability to be paid on the trade date, and (b) the write-off of the asset that has been sold, the recognition of gains and losses on sale and recognition of a receivable from the buyer upon payment on the trade date.

Transaction expenses include intrinsic expenses directly related to the acquisition, issuance or sale of a financial asset or liability. An intrinsic expense is that expense that would not have been incurred if the Company had not acquired, issued or sold a given financial instrument. These expenses include fees and commissions paid to brokers, consultants and dealers, fees to regulatory agencies and stock exchanges, and transfer taxes and fees. Transaction expenses do not include debt securities premiums or discounts, financing expenses or internal administrative expenses, or holding expenses.

Financial liabilities are initially recognized at fair value, which represents the issuance proceeds (the fair value of the consideration received) net of transaction expenses, when material. Subsequently, they are presented at amortized cost and any difference between the net proceeds and the redemption value is recognized in profit or loss over the period of the loan using the effective interest method.

Subsequent assessment

After initial recognition, the Company values the financial instrument by:

- depreciated value; or
- fair value through other comprehensive income; or
- fair value through profit or loss.

Depreciated value is equal to:

- the value at which the financial asset was measured at initial recognition
- minus the lump sum payments
- plus/minus cumulative amortization using the effective interest method for the differences between the original value and the maturity value adjusted for impairment losses.

When applying the effective interest rate method, the Company identifies the fees that are an integral part of the effective interest rate of the financial instrument. Fees that are an integral part of the effective interest rate of the financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value recognized in profit or loss. In these cases, the fees are recognized as income or expense upon initial recognition of the instrument.

Fair value measurement

Fair value is the price received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market participants at the measurement date (in the principal or most advantageous market) under market conditions (i.e., exit price) whether or not the price can be directly observed or determined by other methods of estimation.

In order to improve consistency and comparability in fair value measurement and related disclosures, the Company complies with IFRS 13, which defines a fair value hierarchy that categorizes into three levels the inputs to the valuation methods used to estimate fair value. The fair value hierarchy ranks the quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1 inputs) highest and the unobservable inputs (Level 3 inputs) lowest. .

Depreciation

At each reporting date, the Company assesses the impairment loss for a given financial instrument at an amount equal to the expected credit losses over the life of the instrument if the credit risk of the financial instrument has increased significantly since initial recognition. If the credit risk of the financial instrument has not significantly increased since initial recognition, the Company assesses the impairment loss for the given financial instrument at a value equal to the expected credit losses for 12 months. If the Company has estimated the impairment loss for a financial instrument at a value equal to the expected credit losses for the entire term of the instrument in previous reporting periods, but in the current reporting period determines that the requirements for the expected credit losses for the entire term of the instrument no longer are not met, the Company measures the impairment loss at a value equal to the expected credit losses for 12 months as of the current reporting period. The Company recognizes in the statement of profit and loss as an impairment gain or loss the amount of expected credit losses (or recoveries) by which the impairment loss is required to be adjusted at the reporting date.

The impairment loss is equal to the expected credit losses for 12 months (phase 1) if at the reporting date there is no significant increase in credit risk since initial recognition. The impairment loss is equal to the expected credit losses over the life of the instrument if, at the reporting date, there is a significant increase in credit risk from initial recognition (stage 2) or there is a default on the asset after initial recognition (stage 3). The deal is always in phase 1 on the original date. Financial instruments with a maturity of less than 12 months are allocated to phase 1 or phase 2, but the corresponding expected credit losses will always be calculated taking into account the entire life of the instrument which is less than 12 months - phase 1.

In accordance with the general approach, the criterion for transferring from one phase to another phase is symmetric at the transaction level. In particular, if in subsequent accounting periods the quality of the credit risk of the financial asset allocated to phase 2 improves and there is no longer a significant increase in credit risk since initial recognition, then the asset is allocated to phase 1.

The criterion for recogneasyng an impairment loss equal to the expected credit losses over the life of the instrument could, in some cases, be based only on qualitative information or only on quantitative information. In other cases, both qualitative and quantitative information are taken into account to determine the transfer criterion.

Impairment of receivables from granted individually significant loans

The company applies the general approach of IFRS 9 to measure expected credit losses on receivables from individually significant loans granted.

Expected credit losses are calculated on the date of each reporting period.

Valuation of receivables under granted individually significant loans for the purposes of risk management is a process that requires the use of models that reflect the impact on the exposure of changes in market conditions and the debtor's activity, expected cash flows and time to maturity. The assessment of the credit risk of individually significant loans granted leads to further judgments about the probability of default, the loss ratios associated with these judgments and the correlations between counterparties. The Company measures credit risk using probability of default (PD), exposure given default (EAD) and loss given default (LGD).

To determine the credit risk of individually significant loans granted, the company's management has developed a methodology that includes two main components: determining the debtor's credit rating, and statistical models for calculating marginal PD by year for each rating. Regarding the rating, management uses internal assessments of the credit rating of individual debtors based on global methodologies of leading global rating agencies. The rating reflects financial ratios of leverage, liquidity, profitability, etc., quantitative (eg sales levels) and qualitative (eg financial policy, diversification, etc.) criteria according to the relevant methodology and industry.

Through statistical models based on historical global data on probabilities of default (PD) and transitions between different ratings, as well as on forecasts of key macroeconomic indicators (GDP growth, inflation, etc.), the required marginal PDs by year are determined for each rating.

Based on the established specific rating and the analysis of the characteristics of the debtor, including the changes that have occurred in them compared to the previous period, the stage of the instrument is determined (Stage 1, Stage 2 or Stage 3). The Company considers that a financial instrument has experienced a significant increase in credit risk when one or more of the following criteria are met:

(a) *Quantitative criteria*

- An increase in the lifetime probability of default (PD) of the financial asset at the reporting date compared to the lifetime probability of default at the date the asset was first recognized in the amount of 30%;

- The debtor is in arrears for more than 180 days, but less than 365 days, except for cases where the credit period could reach up to and over 2 years due to the financial specifics of the debtor;
- Actual or expected significant adverse changes in the debtor's operating results, above the permissible range of change, as measured by the debtor's key financial and operating indicators.

(б) Quality criteria:

- Significant adverse changes in business, financial and/or economic conditions in which the debtor operates;
- Actual or anticipated significant adverse changes in the debtor's operating results;
- Early signs of cash flow / liquidity problems such as delays in servicing trade creditors / bank loans.

The criteria used to determine a significant increase in credit risk are monitored and reviewed periodically for appropriateness by the company's management.

The Company defines a financial instrument in default and with an incurred credit loss when it meets one or more of the following criteria:

(a) Quantitative criteria

- The debtor is more than 365 days in arrears on his contractual payments, except for cases where the credit period could reach up to and over 2 years due to the financial specifics of the debtor;
- Occurred or imminent material adverse changes and events in the debtor's business, financial conditions and economic environment, measured by a serious decline in the debtor's main financial and operational indicators;
- The debtor reports a series of losses and negative net assets;

(б) Quality criteria

The debtor is unable to pay due to significant financial difficulties. These are cases when:

- The debtor is in breach of the financial contract, e.g. interest payments, collateral and/or other essential contract, incl. and for financing;
- Adverse changes in the debtor's business, market, environment and regulations;
- Discounts and reliefs made in connection with the debtor's financial difficulties;
- It is likely that the debtor will be declared bankrupt.

The definition of default is consistently applied to model probability of default (PD), exposure given default (EAD) and loss given default (LGD) throughout the company's expected loss calculations.

Expected credit losses are calculated by discounting the resulting value from the product of: probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the probability that the obligor will not fulfill its financial liability either in the next 12 months or during the lifetime of the financial asset (lifetime PD), determined on the basis of public data on PD of generally accepted sources and statistical models for the effects of predictable macroeconomic factors . Also, the company's management has performed a historical analysis and identified the main economic variables affecting the credit risk and expected credit losses for each individually significant loan receivable.

- EAD is the amount owed to the company by the debtor at the time of default, during the next 12 months or during the residual period of the claim, determined according to the specific characteristics of the instrument (amount owed, repayment plans, interest, term, etc.).

- LGD represents the company's expectation of the amount of loss given an exposure in default. LGD varies according to the type of debtor, the type and seniority of the claim and the availability of collateral or other credit support. LGD is measured as a percentage loss for the amount of the claim at the time of default.

The discount rate used in calculating the expected credit loss (ECL) is the original effective interest rate on the instrument.

The categorization used by the company to assess the credit risk related to claims on individually significant loans granted is as follows:

Category	Description	Basis for recognition of expected credit losses
Regular (Phase 1)	The debtor has a low risk of default and no overdue payments	12-month expected credit losses
Doubtful (Phase 2)	Amounts due more than 180 days past due or there is a material increase in credit risk compared to initial recognition	Expected credit losses for the life of the asset
In default (Phase 3)	Amounts owed more than 2 years in arrears or there is evidence that the asset is credit impaired	Expected credit losses for the life of the asset

Financial liabilities

This category includes loans from banks, related parties and P2P investors. After their initial recognition, interest-bearing loans and borrowed funds are valued at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are written off and through the amortization process using the effective interest rate method.

Loans from P2P investors

The company has signed a cooperation agreement with an operator of a peer-to-peer (P2P) investment internet platform, regulated according to the legal framework of the Republic of Estonia. The purpose of the cooperation agreement is to attract funding through the P2P platform.

The P2P platform enables individual and corporate investors to receive proportional interest cash flows and principal cash flows from debt instruments (receivables under granted microloans to individuals) issued by the Company in exchange for an advance payment. These rights are established through transfer agreements between the investors and the P2P platform, which acts as an agent on behalf of the Company. The investor can choose what part of the loan to invest in, with the maximum threshold being up to 70% of the principal. The Company must pay the investor the pro rata share of the funding raised for each debt instrument under the terms of the relevant individual agreement with the Company's client.

Transfer agreements are agreements (assignments) with the right of recourse, which require the Company to guarantee the full payment of the remaining part of the investor's principal in the event of a default of more than 60 days by the Company's client (repurchase guarantee). Transfers with rights of recourse provide direct recourse to the Company, thus not qualifying as pass-through arrangements in accordance with IFRS 9. In particular, neither the investors nor the P2P platform bear any risks related to the creditworthiness of the Company's client. In practice, the Company retains the risks and benefits of ownership of the financial asset. Therefore, these debt instruments of the Company do not meet the conditions for consideration for a partial write-off, therefore the Company does not write off the loans transferred through the P2P platform from the statement of financial position. On the other hand, liabilities to investors are recognized in the statement of financial position as liabilities for loans received.

Liabilities arising from assignments with right of recourse are initially recognized at cost, which represents the fair value of the consideration received from the investors. After initial recognition, financing raised through a P2P platform is subsequently measured at amortized cost using the effective interest method. The amortized cost is calculated taking into account all issue expenses and any settlement discount or premium. Gains and losses are recognized in profit and loss as interest income/expense when liabilities are written off. Interest expense paid to investors is shown in a gross amount calculated using the effective interest method in the Interest expense item of the Statement of Comprehensive Income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when the Company has a legal right to offset the recognized amounts and intends to settle the asset and liability on a net basis, or to realize the asset and settle the liability simultaneously .

2.5 Cash and cash equivalents

Cash and cash equivalents shown in the statement of cash flows include cash, checking accounts and bank deposits with an initial maturity of at least three months.

2.6. Property, plant and equipment

Initial measurement

At their initial acquisition, property, machinery, equipment and equipment (fixed tangible assets) are valued at the acquisition price (cost), which includes the purchase price, incl. customs fees and all direct expenses necessary to bring the asset into working order. Direct expenses are: site preparation costs, initial delivery and handling costs, installation costs, project-related fees costs , non-refundable taxes, etc. The company has determined a value threshold of BGN 700, below which the acquired assets, regardless of the fact that they have the characteristics of a long-term asset, are treated as a current expense at the time of their acquisition.

Subsequent measurement

The approach chosen by the Company for the subsequent evaluation of tangible fixed assets is the cost model according to IAS 16 Property, plant and equipment - the acquisition price (cost), reduced by accrued depreciation and accumulated impairment losses.

Depreciation methods

The company uses the straight-line method of depreciation of fixed tangible assets. Land does not depreciate. The useful lives of asset groups are determined in accordance with physical wear and tear, the specifics of the equipment, future intentions of use and assumed moral obsolescence.

The useful life by asset group is as follows:

- Buildings for 25 years
- Equipment 25 years
- Computers and peripherals 2 years
- Cars 4 years
- Office furniture 6-7 years

The useful life of fixed tangible assets is reviewed at the end of each year, and if significant deviations are found from the future expectations for the period of use of the assets, the same is adjusted prospectively.

Subsequent expenses

Repairs and maintenance expenses are recognized as current in the period in which they are incurred. Subsequent expenses incurred related to fixed tangible assets, which have the nature of replacement of certain nodal parts or of remodeling and reconstruction, are capitalized to the carrying amount of the relevant asset and its remaining useful life is reviewed as of the date of capitalization. At the same time, the unamortized part of the replaced components is written off from the carrying amount of the assets and recognized in the current expenses for the period of the reconstruction.

Impairment of assets

The carrying amounts of property, plant and equipment are subject to review for impairment when events or changes in circumstances occur that indicate they could be permanently different from their recoverable amount. If such indicators are present, an impairment test is made and if the recoverable amount is lower than their carrying amount, the latter is reduced to the recoverable amount of the assets. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell or value in use. To determine the value in use of assets, future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and risks specific to the asset in question. Impairment losses are reported in the statement of comprehensive income.

Gains and losses on sale

Fixed tangible assets are written off from the statement of financial position when they are permanently removed from use and no future economic benefits are expected from them or they are sold. Gains or losses on sales of individual assets are determined by comparing the proceeds from the sale and the carrying amount of the asset at the date of sale. They are stated net, in "Other operating income" to the statement of comprehensive income.

2.7 Intangible Assets

Intangible assets are presented in the financial statements at acquisition cost (cost), less accumulated depreciation and impairment losses.

The company applies the straight-line method of amortization of intangible assets with a specified useful life of 2 years.

The carrying amount of intangible assets is subject to review for impairment when events or changes in circumstances occur that indicate that the carrying amount of the assets could exceed their recoverable amount. The impairment is then included as an expense in the statement of comprehensive income (in profit or loss for the year).
Expenses related to the maintenance of intangible assets are capitalized only when the future economic benefit of the asset increases. All other expenses are recognized in the statement of comprehensive income (in profit or loss for the year).

Intangible assets are written off from the statement of financial position when they are permanently removed from use and no future economic benefits are expected from them or they are sold. Gains or losses on sales of individual assets from the group of "intangible assets" are determined by comparing the proceeds from the sale and the carrying amount of the asset at the date of sale. Reported net to 'other operating income/(loss)' in the statement of comprehensive income (in profit or loss for the year).

2.8 Investments in Subsidiaries

Long-term investments representing shares in subsidiaries are presented in the financial statements at acquisition price (cost), which represents the fair value of the consideration paid, including the direct expenses of acquiring the investment, less accumulated impairment.

Investments in subsidiaries held by the Company are subject to impairment review. When impairment conditions are established, it is recognized in the statement of comprehensive income (in profit or loss for the year).

Investments in subsidiaries are written off when the rights arising from them are transferred to other persons when the legal grounds for this occur and thus control over the economic benefits of the relevant specific type of investment is lost. The gain or loss on their sale is presented under "finance income" or "finance expense" respectively in the statement of comprehensive income (in profit or loss for the period).

2.9 Investments in Joint Ventures

A joint venture is an enterprise in which two or more parties have joint control. Joint control is a contractual sharing of control over an entity and exists only when decisions regarding the activities involved require the unanimous consent of the parties sharing control.

The Company recognizes its equity interest in the jointly controlled entity as an investment and accounts for this investment using the equity method. Under the equity method, an investment in a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of the losses of a joint venture exceeds the Company's share of that joint venture, the Company derecognizes its share of further losses. Additional losses are recognized only to the extent that the Company has assumed legal or constructive liabilities or made payments on behalf of the joint venture.
If there is objective evidence that the Company's net investment in a joint venture is impaired, the requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognize an impairment loss in respect of the Company's investment. Any reintegration of this impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment has subsequently increased.

2.10 Leasing

On the start date of the lease, which is the earlier of the two dates - the date of the lease agreement or the date of the commitment of the parties to the basic terms of the lease contract, the Company analyzes and evaluates whether a given contract represents or contains elements of a lease. A contract is or contains a lease if it transfers for consideration the right to control the use of an asset for a specified period of time.

Lessee

The Company applies a uniform model of recognition and valuation of all lease contracts, except for short-term lease contracts (a lease contract with a term of 12 months or less from the date of commencement of the lease and which does not contain a purchase option) and lease contracts of low value assets (such as tablets, personal computers, phones, office equipment and others).

The Company did not take advantage of the practical expedient of IFRS 16, which allows the lessee for each class of identified asset not to separate the non-lease from the lease components, but instead to account for each lease component and related non-lease components as a separate lease component. For contracts that contain a lease of one or more lease and non-lease components, the Company applies a policy of allocating remuneration under contracts that contain lease and non-lease components based on the relative unit prices of the lease components and the aggregate unit price of the non-lease components.

a) right-of-use assets

The company recognizes in the statement of financial position the asset "right of use" on the date of commencement of the lease contracts, i.e. the date on which the underlying asset is available for use by the Company.

Right-of-use assets are presented in the statement of financial position at acquisition cost less accumulated depreciation, impairment losses and adjustments due to revaluations and adjustments to the lease liability. The acquisition price includes:

- the amount of the initial assessment of the lease liabilities;
- lease payments made on or before the commencement date, less any incentives received under the lease agreements;
- the initial direct expenses incurred by the Company in its capacity as a lessee;

- restoration expenses that the Company will incur to dismantle and move the fixed asset, restore the site on which the asset is located or restore the fixed asset to the condition required under the contract.

The company amortizes the right-of-use asset over the shorter of the useful life and the lease term. If ownership of the asset is transferred under the lease until the end of the lease term, it is depreciated over its useful life. Depreciation begins to accrue from the date of commencement of the lease.

The Company has chosen to apply the acquisition cost model to all of its right-of-use assets.

Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets, applying a policy for determining and accounting for impairment similar to that for property, plant and equipment. The recoverable amount of right-of-use assets is the higher of fair value less costs to sell or value in use. To determine the value in use of assets, future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and risks specific to the asset in question. Impairment losses are defined as the difference between the recoverable amount and the carrying amount.

"Right-of-use" assets are presented in the individual statement of financial position, and their amortization - under General administrative and other operating expenses in the individual statement of comprehensive income.

b) lease liabilities

The Company recognizes lease liabilities on the lease inception date, measured at the present value of the lease payments outstanding at that date. These include:

- fixed payments (including substantially fixed lease payments) less lease incentives receivable;
- variable lease payments dependent on indices or rates initially assessed using the indices or rates on the lease inception date;
- the price for exercising the purchase option, if it is sufficiently certain that the lessee company will exercise this option;
- payments of penalties for termination of lease contracts, if the lease contract term reflects the exercise of an option to terminate the contract by the lessee company;
- the amounts the company expects to pay to lessors as residual value guarantees.

Variable lease payments that do not depend on indices or revaluations, but are related to performance or the use of the underlying asset, are not included in the measurement of the lease liability and the right-of-use asset. They are recognized as a current expense in the period in which the event or circumstance giving rise to these payments occurs.

Lease payments are discounted at the interest rate embedded in the contract, if it can be directly determined, or at the differential interest rate the Company would pay if it borrowed funds necessary to obtain an asset of similar value to the asset " right of use', for a similar period of time, with similar collateral and in a similar economic environment.

Lease payments (installments) contain, in a certain ratio, the financial expense (interest) and the accrued part of the lease liability (principal). Lease interest expense is presented in the statement of comprehensive income (in profit or loss for the year) of the Company over the term of the lease on a periodic basis so as to achieve a constant interest rate on the remaining outstanding principal of the lease liability by presenting as "financial expenses".

Lease liabilities are presented on a separate line in the individual statement of financial position: "Lease liabilities"

The company subsequently assesses the lease liability as:

- increases the carrying amount to reflect the interest on the lease liabilities;
- reduces the carrying amount to reflect the lease payments made;
- revalues the carrying amount of lease liabilities to reflect revaluations or lease amendments;
- residual value guarantees are reviewed and adjusted as necessary at the end of each reporting period.

The company re-evaluates its lease liabilities (in which it also makes corresponding entries to the relevant "right-of-use" assets) when:

- there is a change in the term of the lease or an event or circumstance has occurred that results in a change in the valuation of the option to purchase whereby the adjusted lease liabilities are recalculated at an adjusted discount rate;
- there is a change in lease payments resulting from a change in an index or rate or there is a change in the amounts expected to be payable under residual value guarantees whereby the adjusted lease liabilities are recalculated at the unchanged (original) discount rate (except where the change in lease payments resulting from a change in floating interest rates, in which case an adjusted discount rate is used that reflects interest rate changes);
- the lease is amended and that amendment is not reflected as a separate lease, in which case the lease liability is recalculated based on the term of the amended lease, discounting the amended lease payments at the adjusted discount rate at the effective date of the amendment.

c) Short-term leases and leases where the underlying asset is of low value

The Company applies the exemption under IFRS 16 from the requirement to recognize a right-of-use asset and lease liability to its short-term leases of buildings and vehicles and to its leases of low-value assets representing printers and other devices, which the Company considers to be of low value as new and used independently in the Company without being dependent and closely related to other assets.

Payments related to short-term leases and leases where the underlying asset is of low value are recognized directly as a current expense in the statement of comprehensive income (in profit or loss for the year) on a straight-line basis over the lease term.

2.11 Income Taxes

Current income taxes

Current taxes on the Company's profit are determined in accordance with the requirements of the Bulgarian tax legislation - the Law on Corporate Income Taxation. The nominal tax rate for 2023 is 10% (2022: 10%).

Deferred income taxes

Deferred taxes are determined by applying the balance sheet method, for all temporary differences at the date of the financial statement that exist between the balance sheet values and the tax bases of individual assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all reduceable temporary differences and unused tax losses to the extent that it is probable that they will reverse and sufficient taxable profit will be generated in the future or that taxable temporary differences will arise from which it is possible to these deductible differences are deducted, except for differences arising from the initial recognition of an asset or liability that did not affect the accounting or tax profit (loss) at the date of the transaction.

The carrying amount of all deferred tax assets is reviewed at each financial statement date and reduced to the extent that it is probable that they will reverse and generate sufficient taxable profit or that taxable temporary differences will arise in the same period of which they can be deducted.

Deferred taxes related to items that are reported directly in equity or another balance sheet item or to another component of comprehensive income are also reported directly to the corresponding equity component or balance sheet item or other component of comprehensive income.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply for the period during which the assets will be realized and the liabilities will be settled (settled), based on the tax laws that are in force or substantially of security are expected to be in effect.

As of December 31, 2023, the Company's deferred tax assets and liabilities are assessed at a rate of 10% (December 31, 2022: 10%).

2.12 Employee Income

Short term income

Short-term personnel benefits (relative to severance benefits) include wages, bonuses, compensation for unused vacation and social and health insurance contributions.

The Company recognizes the estimated undiscounted amount of short-term personnel benefits as an expense in the period in which the personnel provided the services related to those benefits (regardless of the date of payment), corresponding to other liabilities in the statement.

The amount of short-term personnel income resulting from unused leave is calculated as the sum of each employee's unused days of paid leave multiplied by the daily rate of their gross salary.

Long term income

The Company's liabilities arising from long-term employee benefits other than pension plans represent future benefits payable to employees in exchange for services rendered to the Company in the current or prior periods that are not due in full within 12 months. from completion of service.

The company has an established plan for additional pension insurance. According to the Labor Code, upon termination of the employment relationship, after the worker or employee has acquired the right to a pension for length of service and age, the Company is obliged to pay him compensation in the amount of twice the gross monthly remuneration on the date of termination of the employment relationship. In the event that the worker or employee has worked for the Company for the last 10 years, the amount of compensation amounts to six months' amount of his gross remuneration.

2.13 Provisions

Provisions are recognized when:
- The Company has a present liability (legal or constructive) as a result of past events;
- it is likely that an outflow of resources containing economic benefits will be required to repay it, and
- a reliable estimate of the amount of the liability can be made.

The amounts recognized as provisions represent the best estimate of the expenses required to settle the present liability. The risks and uncertainties inherent in the relevant events and circumstances are taken into account in order to make the best judgment about the provision.

In cases where there are multiple liabilities of a similar nature, the likelihood of settlement is determined by considering those similar liabilities as a whole. A provision is recognized even if the probability of payment of an individual liability from the group of similar liabilities is low. Provisions are discounted when the effect is material, in which case the amount of the provision represents the present value of the payments expected to be made to settle the liability. The discount rate is the pre-tax rate that reflects the current market assessment of timing differences in the value of money and liability-specific risks. The discount rate does not reflect risks for which future cash flows have already been recalculated. The increase in the provision due to the passage of time is recognized as interest expense.

During the next accounting period, the actual expenses incurred for the repayment of the current liability are reported not as a current expense, but as a reduction of the previously accrued provision. After the liability is settled in full, the unutilized portion of the provision, if any, is written off.

2.14 Equity

Equity consists of the Company's registered share capital based on applicable legal provisions and articles of association. The nominal value of the Company's share capital is indicated in the amount specified in the articles of association and in the Commercial Register.

According to the requirements of the Commercial Law and the statutes, the Company is obliged to form a "reserve fund", as the sources of the fund can be:
- at least one-tenth of the profit, which is allocated until the funds in the fund reach one-tenth of the share capital or a larger part, determined by a decision of the General Meeting of Shareholders;
- the funds received above the nominal value of the shares upon their issuance (premium reserve);
- other sources provided for by decision of the General Meeting of Shareholders.

The funds from the fund can only be used to cover the annual loss and losses from previous years. When the funds in the fund reach the minimum amount defined in the articles of association, the funds above this amount can be used to increase the share capital.

Retained earnings includes net profit (loss) for the year recognized in the statement of comprehensive income and accumulated profits (losses) from prior years.

2.15 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which it is approved by the Company's shareholders.

2.16 Related Parties

For the purposes of this financial statement, the Company presents as related parties the parent company, its subsidiaries and associated companies, employees in management positions, as well as close members of their families, including the companies controlled by all the above-mentioned persons.

2.17 Share-Based Payments

The Company's personnel receive share-based compensation, with employees providing services in exchange for compensation received in the form of equity instruments. Share-related transaction expense is recognized together with a corresponding increase in capital over the period during which the performance and/or service conditions are met, as of the date the relevant employees become fully entitled to receive them ("vesting date of rights"). The cumulative expense recognized for share-related transactions for each reporting date through the vesting date reflects the extent to which the vesting period has expired and the Company's best judgment as to the number of equity instruments that will ultimately rights are acquired. The expense is stated as "Personnel Expense". In cases where the terms of share-based payments are amended, the minimum expenses recognized in Personnel Expenses are the expenses as they would have been if the terms had not been changed. An additional expense is recognized for any modifications that increase the total value of the share-based payment arrangement or otherwise benefit the employee. In cases where share-based payments are cancelled, the cancellation is treated as a vested right from the date of cancellation and any expense not yet recognized by the date of cancellation is recognized immediately.

If a new program is introduced in place of an old stock pay program, the canceled and new programs are treated as if they were a modification of the original program as described above.

Share-based payment expense is measured initially at fair value using a pricing model, taking into account the terms under which the instruments are granted. This fair value is reported as an expense over the vesting period. The program liability is remeasured to fair value in each statement of financial position up to and including the settlement date, with changes in fair value reported in the statement of comprehensive income.

2.18 Treasury Shares Repurchased and Treasury Share Contracts

The Company's own capital instruments, which are acquired by it or its subsidiaries (the company's own shares), are deducted from the capital, being accounted for at the weighted average cost of acquisition. The consideration paid or received for the purchase, sale, issuance or cancellation of the Company's own equity instruments is recognized directly in equity. Gains or losses are not recognized in the statement of comprehensive income.

Treasury share contracts that relate to the issuance of treasury shares for consideration are classified as equity and are added to or deducted from equity. Contracts for own shares that require a net cash settlement or provide a choice to settle while preserving the value of the contractual liability leading to a change in the number of shares when their fair value changes are classified as financial liabilities.

2.19 Key judgments, estimates and assumptions in applying the accounting policy

In preparing these financial statements in accordance with IFRS, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

These estimates are based on information available at the date of preparation of the financial statements, and actual results could differ from these estimates. Adjustments to estimates are recognized in the period in which the estimates are adjusted and in any future periods that are affected.

The main areas that require estimates and judgments are as follows:

- Expected credit losses on receivables – note 2.4
- Valuation of "right-of-use" assets and liabilities under lease agreements - note 2.10
- Recognition of deferred tax assets – note 2.11
- Determination of fair value – note 2.4

(All amounts are in BGN'000, unless otherwise stated)

3. Net income from interest, fees and penalties

	2023	2022
Interest income	29 127	28 159
Revenue from fees	70 162	63 819
Revenue from penalties	6 971	8 187
Income from interest, fees and penalties	**106 260**	**100 165**
Interest expenses on loans from P2P platforms	(2 044)	(1 416)
Interest expenses on bank loans	(888)	(704)
Expenses for fees and commissions	(466)	(262)
Interest expense on leases	(176)	(123)
Interest expense on loans from related parties	(113)	(364)
Interest and fee expenses	**(3 687)**	**(2 869)**
Net income from interest, fees and penalties	102 573	97 296

4. Dividend income

	2023	2022
SC Easy Asset Management IFN AD - Romania	11 538	13 064
FD M Cash Macedonia LLC Skopje	2 322	-
Financial Bulgaria Ltd	-	16 400
	13 860	**29 464**

5. Other operating income, net

	2023	2022
Income from ceded receivables	704	136
Income from foreign exchange operations and revaluations	14	686
Other operating income	1 016	241
Expenses of foreign exchange operations and revaluations	(25)	(216)
	1 709	**847**

6. Impairment loss on financial assets, net

	2023	2022 (restated)
Impairment loss of microloans granted to individuals	(130)	(6 617)
Impairment loss of individually significant loans granted	(1 611)	(4 437)
	(1 741)	**(11 054)**

7. Personnel expenses

	2023	2022
Salaries and benefits	(61 858)	(56 033)
Social security	(8 378)	(7 972)
Expenses for liabilities to personnel on retirement	(45)	(72)
	(70 281)	**(64 077)**

(All amounts are in BGN'000, unless otherwise stated)

8. General administrative and other operating expenses

	2023	2022
Advertising and marketing	(3 394)	(3 317)
Amortization	(2 704)	(2 457)
Transport and business trips	(1 897)	(2 058)
Expenses for materials	(1 762)	(1932)
Leasing of assets	(1 497)	(1 540)
Telecommunication and postal expenses	(1 687)	(1 555)
Consulting, legal services	(553)	(1 470)
Social expenses	(1 890)	(1 393)
Consumables, incl. electrical energy	(758)	(1 089)
Representative and unrelated to the activity	(1 446)	(678)
Insurances	(325)	(297)
Repair and technical support	(344)	(188)
Office security	(125)	(110)
Audit services	(45)	(37)
Other operating expenses	(4 955)	(3 773)
	(23 382)	**(21 894)**

The amounts charged during the year for the independent financial audit services provided by the registered auditors are disclosed in note 8 General administrative and other operating expenses. The registered auditors have not provided any other services to the Company, outside of an independent financial audit.

On the line Other operating expenses in note 8 General administrative and other operating expenses, in the amount of BGN 4 955 thousand, the company presents expenses related to commissions under contracts for services received, expenses related to maintenance of assets other than rent, consumables and repairs, software maintenance and cyber security expenses, training expenses.

9. Income tax expense

	2023	2022 (restated)
Profit before tax	21 204	24 619
Tax rate	10%	10%
Estimated income tax expense	(2 120)	(2 462)
Tax effect of increases and decreases in the financial result for tax purposes	1 858	2 398
Current income tax expense	**(262)**	**(64)**
Deferred income taxes related to the occurrence and reversal of temporary differences	(810)	512
Total income tax expense reported in the Statement of Comprehensive Income	**(1 072)**	**448**

(All amounts are in BGN'000, unless otherwise stated)

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include:

	December 31, 2023	December 31, 2022
Cash in bank accounts	586	1 191
Cash	1 665	1 260
Cash on the way	32	170
	2 283	**2 621**

Cash and cash equivalents represent amounts denominated in Bulgarian leva. Cash is non-interest-bearing, while money in bank accounts is interest-bearing at a floating rate.

11. Microloans granted to individuals

	31 December 2023	31 December 2022 (restated)
Guaranteed receivables from customers under granted microloans, gross	91 730	85 119
Unguaranteed receivables from customers under granted microloans, gross	861	2 082
Court claims	972	951
Expected credit loss	(1 182)	(9 766)
Microloans granted to individuals, net	**92 381**	**78 386**

The change in losses from impairment of receivables from customers under granted microloans is as follows:

	2023	2022 (restated)
Balance as of January 1	**9 766**	**6 262**
Impairment loss for the year	166	6 667
Reintegrated impairments during the year	(36)	(50)
Net change in impairment losses reported in the Statement of Comprehensive Income (note 6)	***130***	***6 617***
Receivables written off	(8 714)	(3 113)
Balance as of December 31	**1 182**	**9 766**

(All amounts are in BGN'000, unless otherwise stated)

12. Individually significant loans granted

	December 31, 2023	December 31, 2022
Trade loans granted to related parties, incl. accrued interest, gross	139 759	112 214
Trade loans granted to individuals, incl. accrued interest, gross	1	5
Expected credit loss	(10 222)	(8 611)
Individually significant loans granted, net, including:	**129 538**	**103 608**
Current	*5 097*	*72 174*
Non-current	*134 663*	*40 045*

Additional information on individually significant loans granted to related parties is contained in note 26 to this individual report.

The change in losses from impairment of receivables under granted individually significant loans to legal entities and individuals is as follows:

	2023	2022
Balance as of January 1	**8 611**	**8 146**
Impairment loss for the year	2 585	4 437
Reintegrated impairments during the year	(974)	-
Net change in impairment losses reported in the Statement of Comprehensive Income (note 6)	***1 611***	***4 437***
Receivables written off	-	(3 972)
Balance as of December 31	**10 222**	**8 611**

13. Other Assets

	31 December 2023	December 31, 2022 (restated)
Excess profit tax	-	1 087
Receivables under guarantees	225	333
Advances paid	1 721	220
Receivables from contributories	1 093	-
Other receivables	577	592
Accruals	-	24 340
Withholding tax at source	158	59
Total other assets, including:	**3 774**	**26 631**
Current	*3 774*	*26 631*
Non-current	-	-

As of 31.12.2022 on line Accruals in note 13 Other assets, in the amount of BGN 24 340 thousand the Company presents the amount of BGN 24 313 thousand, which represents accrued receivables and recognized income from commissions to Financial Bulgaria EOOD according to an invoice issued in 2023, but referring to the year 2022.

(All amounts are in BGN'000, unless otherwise stated)

14 . Investments in Subsidiaries

	As of December 31 , 2023			**As of December 31, 2022**		
	Investment, gross	*Impairment losses*	*Investment, net*	*Investment, gross*	*Impairment losses*	*Investment, net*
Easy Credit LLC	14 970	14 970	-	14 970	14 970	-
Easy Asset Management IFN AD	5 770	-	5 770	5 770	-	5 770
Ai Credit SP.Z.O.O.	448	6	442	90	-	90
M Cash Macedonia LLC	1 858	-	1 858	1 467	-	1 467
Payment Services Ltd	14 840	-	14 840	14 840	-	14 840
Financial Bulgaria Ltd	6 656	-	6 656	6 656	-	6 656
Easy Asset Services Ltd	22 637	20 022	2 615	22 637	18 482	4 155
Easy Individual Solutions, Mexico	37	-	37	37	-	37
Easy Asset Management LLC	250	-	250	250	-	250
Easy Asset Management Iberia SL	6	-	5	-	-	-
	67 472	**34 998**	**32 474**	**66 717**	**33 452**	**33 265**

The Company owns 100% of Easy Credit LLC ("Subsidiary"). The subsidiary is registered in accordance with Ukrainian legislation and regulatory requirements regarding non-banking financial institutions. The value of the initial registered capital of the Subsidiary Company is 6 922 Ukrainian hryvnias, which on the date of capital registration was equivalent to 800 thousand euros or 1 565 thousand BGN. As of 31.12.2023, the capital is in the amount of 14 970 thousand BGN.

The Company owns 100% (99.999938%) of SC Easy Asset Management IFN AD ("Subsidiary"). The Subsidiary Company is registered in accordance with Romanian legislation and regulatory requirements regarding non-banking financial institutions, with a total number of shares - 459 800. and capital in the amount of BGN 861 thousand (equivalent to EUR 440 thousand). The currency in which the capital of the Subsidiary is registered is Romanian lei. As of 31.12.2023, the capital of the Romanian company is BGN 5 770 thousand, equivalent to EUR 2 950 thousand (13 722 thousand lei).

The company owns 100% of Ai Credit SP.Z.O.O. ("Subsidiary"), established in 2014. The Subsidiary is registered in accordance with Polish legislation and regulatory requirements regarding non-banking financial institutions. The value of the registered capital of the Subsidiary is BGN 2 thousand (equivalent to PLN 5 thousand) as of the date of establishment. In 2016, a decision was made to increase the capital to 200 thousand zlotys. In 2023, a decision was made to increase the capital to 1 000 thousand zlotys.

The company owns 99.60% of Easy Payment Services EOOD ("Subsidiary"), established in 2016. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria. The value of the capital at the time of registration is BGN 1 000 thousand. The activity of the Subsidiary Company is related to the execution of payment operations, issuance of payment instruments and/or acceptance of payments with payment instruments. As of 31.12.2023, the registered capital is BGN 14 900 thousand.

The company owns 98% of Easy Asset Management Asia Microfinance ("Subsidiary"), established in 2016. The Subsidiary is registered in accordance with the legislation and regulatory requirements of the Republic of the Union of Myanmar. The value of the registered capital of the Subsidiary is USD 200 thousand, equivalent to BGN 345 thousand at the date of incorporation. Since 2019, the company has not carried out commercial activity and has started its liquidation.

In 2017, "Easy Asset Management" EAD initiated the acquisition of the shares of the local division of the British group for non-bank consumer lending International Personal Finance (IPF) – "Provident Financial Bulgaria" OOD. The company owns 100% of Financial Bulgaria EOOD ("Subsidiary"), the value of the registered capital at the time of acquisition being BGN 51 million. It is registered in accordance with the legislation and regulatory requirements of the Republic of Bulgaria. In 2019, actions were taken to restructure the capital of the Subsidiary and it was reduced to BGN 1 500 thousand.

(All amounts are in BGN'000, unless otherwise stated)

In 2019, the Company purchased from Access Finance OOD 100% of the shares of Financial Company M Cash Macedonia DOOEL Skopje ("Subsidiary"), established in 2014. The Subsidiary Company is registered in accordance with the legislation of the Republic of North Macedonia and the regulatory requirements regarding non-banking financial institutions. In 2023, the value of the registered capital of the Subsidiary increased and reached EUR 800 thousand.

The company owns 98% of A.D.P.K Easy Individual Solutions F.D.M.D. ("Subsidiary"), incorporated on 07/29/2019. The Subsidiary is registered under the laws of Mexico. The value of the registered capital is 402 thousand Mexican pesos (equivalent to BGN 37 thousand) at the date of incorporation. In 2023, the company did not carry out any commercial activity.

In 2020, the Company purchased 100% of the shares of Easy Asset Services EOOD ("Subsidiary"), established in 2008. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria and its subject of action is asset management. The value of the shares at the time of purchase is BGN 5 000, and with a non-cash contribution (capitalization of the granted loan) the capital reaches BGN 13 405 000.

In 2021, Easy Asset Management AD entered the Albanian market with its subsidiary Easy Asset Management ShPC. The subsidiary is registered under the laws of Albania. The value of the registered capital is 15 492 thousand Albanian Lek (equivalent to BGN 250 thousand) and is 100% owned by the Company.

In 2022, Easy Asset Management AD entered the Spanish market with its subsidiary Easy Asset Management Iberia SL. The subsidiary is registered under the laws of Spain. The value of the registered capital is EUR 3 thousand (equivalent to BGN 6 thousand) and is 100% owned by the Company.

The change in impairment losses on investments in subsidiaries is as follows:

	2023	2022
Balance as of January 1	**33 554**	**27 591**
Impairment loss for the year	1 547	5 963
Reintegrated impairments during the year	(59)	-
Net change in impairment losses reported in the Statement of Comprehensive Income	*1 488*	*5 963*
Written off investments	(44)	-
Balance as of December 31	**34 998**	**33 554**

(All amounts are in BGN'000, unless otherwise stated)

15. Investments in Joint Ventures

	Easy Asset Management d.o.o., Croatia	
	December 31, 2023	**December 31, 2022**
Cost of investment	46	46
Share of the results of the joint venture	(46)	-
Carrying amount of the investment in the joint venture	**-**	**46**

In 2021, Easy Asset Management d.o.o. was established, registered in accordance with the legislation of Croatia. The joint venture will carry out its activities with a local partner, with the Company owning 50% of the registered capital equivalent to BGN 46 thousand. As of the date of acquisition, the investment in Easy Asset Management d.o.o. is recognized at cost. As of 31.12.2023, the investment in the company was recalculated using the equity method. For the reporting year 2023, Easy Asset Management d.o.o. has realized a loss in the amount of EUR 131 thousand. The revaluation loss has been charged as a loss for the current period.

16. Property, plant and equipment

	Computer technology	Machinery and equipment	Office furniture	Others	Total
Acquisition cost					
As of 01.01.2022	1 315	76	141	560	2 092
Additions	254	-	11	232	497
Disposals	(431)	-	-	(5)	(436)
As of 31.12.2022	**1 138**	**76**	**152**	**787**	**2 153**
Additions	206	-	5	171	382
Disposals	(60)	-	-	(4)	(64)
As of 31.12.2023	**1 284**	**76**	**157**	**954**	**2 471**
Accumulated depreciation					
As of 01.01.2022	(1 037)	(76)	(68)	(440)	(1 621)
Depreciation charge	(283)	-	(20)	(51)	(354)
Eliminated on disposals	428	-	-	6	434
As of 31.12.2022	**(892)**	**(76)**	**(88)**	**(485)**	**(1 541)**
Depreciation charge	(219)	-	(20)	(165)	(404)
Eliminated on disposals	58	-	-	4	62
As of 31.12.2023	**(1 053)**	**(76)**	**(108)**	**(646)**	**(1 883)**
Carrying amount					
As of 31.12.2023	**231**	-	**49**	**308**	**588**
As of 31.12.2022	246	-	64	302	612
As of 01.01.2022	278	-	73	120	471

(All amounts are in BGN'000, unless otherwise stated)

17. Intangible assets

	Software	Total
Acquisition cost		
As of 01.01.2022	1 143	1 143
As of 31.12.2022	**1 143**	**1 143**
Additions	28	28
As of 31.12.2023	**1 171**	**1 171**
Accumulated depreciation		
As of 01.01.2022	(965)	(965)
Depreciation charge	(19)	(19)
As of 31.12.2022	**(984)**	**(984)**
Depreciation charge	-	-
As of 31.12.20223	**(984)**	**(984)**
Carrying amount		
As of 31.12.2023	**187**	**187**
As of 31.12.2022	159	159
As of 01.01.2022	178	178

18. Right-of-use assets

	Buildings	Total
Acquisition cost		
As of 01.01.2022	5 353	5 353
Additions	888	888
As of 31.12.2022	**6 241**	**6 241**
Additions	6 961	6 961
Disposals	(6 241)	(6 241)
As of 31.12.2023	**6 961**	**6 961**
Accumulated depreciation		
As of 01.01.2022	(3 180)	(3 180)
Depreciation charge	(1 122)	(1 122)
As of 31.12.2022	**(4 302)**	**(4 302)**
Depreciation charge	(2 300)	(2 300)
Eliminated on disposals	4 302	4 302
As of 31.12.2023	**(2 300)**	**(2 300)**
Carrying amount		
As of 31.12.2023	**4 661**	**4 661**
As of 31.12.2022	1 939	1 939
As of 01.01.2022	2 173	2 173

(All amounts are in BGN'000, unless otherwise stated)

Amounts recognized in profit and loss	**2023**	**2022**
Right-of-use asset amortization expense	(2 300)	(1 122)
Interest expense on the lease liability	(176)	(123)
Expenses related to short-term rentals	(1 058)	(1 026)
Expenses related to the lease of low-value assets	(439)	(514)

19. Deferred tax assets

As deferred tax assets under IAS 12 Income Taxes, the Company has recognized the amount of income taxes recoverable in future periods in respect of reduced temporary differences and unused tax loss carryforwards as follows:

	Unused vacations	**Personnel income**	**Others**	**Total**
As of 01 January 2022	**104**	**124**	**57**	**285**
(Expense)/income on the income statement	10	12	2	24
As of January 01, 2023	**114**	**136**	**5 9**	**309**
(Expense)/income on the income statement	14	(24)	(51)	(61)
As of December 31, 2023	**128**	**112**	**8**	**248**

20. Loans Received

	Average interest rate	**Term**	**31 December 2023**	**December 31, 2022**
Bank loans	7%	2024	9 835	9 832
Loans from related parties	5 %	2028	9 059	-
Loans from P2P investors	9 %	2024	26 688	17 059
Total, including:			**45 582**	**26 891**
Current			*36 523*	*26 891*
Non-current			*9 059*	-

21. Lease Liabilities

During the year, the Company was a party to numerous lease agreements as an office tenant.

Maturity structure of the lease liability	**December 31, 2023**	**December 31, 2022**
Long term part	2 400	250
Short term part	2 329	1 689
	4 729	**1 939**

(All amounts are in BGN'000, unless otherwise stated)

22 . Trade and other payables

	31 December 2023	December 31, 2022
Liability to the guarantee company for collected guarantee installments from customers	22 617	42 291
Liabilities to personnel and social security	9 052	7 500
Liabilities to suppliers	1 501	4 984
Tax liabilities other than corporation tax	1 098	568
Other liabilities	277	138
Total trade and other payables, including:	**34 545**	**55 481**
Current	*33 751*	*54 910*
Non-current	*794*	*571*

Personnel and social security contributions liabilities

	December 31, 2023	December 31, 2022
Liabilities to the personnel, including:		
Current remuneration liabilities	4 893	4 502
Current liabilities for unused leave	1 075	955
Long-term liabilities to personnel on retirement	794	571
	6 762	**6 028**
Social security liabilities, including:		
Current liabilities	2 290	1 472
	2 290	**1 472**
Total	**9 052**	**7 500**

Long-term liabilities to personnel on retirement

	2023	2022
Present value of liabilities on January 1	*571*	*552*
Current Internship Expense	98	103
Interest expense	38	4
Retirement benefits paid during the period	(60)	(31)
Actuarial (profit) loss for the period	147	(57)
Present value of liabilities on December 31	*794*	*571*

The key assumptions used in determining the employee benefit liabilities at retirement are set out below:

	2023	2022
Discount rate	4.5%	6.0%
Future increase in remuneration	6.0%	5.0 %

The average duration of the employee benefit liability at retirement is 9.7 years.
The table below presents a sensitivity analysis of the significant assumptions as of 31.12.2023, calculated based on a method that extrapolates the effect on personnel retirement benefit liabilities given a reasonable change in the underlying assumptions at the end of the reporting period.

(All amounts are in BGN'000, unless otherwise stated)

Significant assumptions	**Amendment**	**Absolute effect**	**Relative effect**
Discount rate	+ 0.50%	(30)	-5 %
Discount rate	- 0.50 %	(32)	+5%
Reward	+ 0.50%	33	+5 %
Reward	- 0.50 %	(31)	-5 %

The expected payments as of 31.12.2023 in relation to the liabilities for personnel retirement benefits are as follows:

	Estimated Payments
Payments in 2024	112
Payments in 2025	42
Payments in 2026	35
Payments in 2027	84
Payments in 2028	**95**

23. Equity

Sharehodlers capital

As of December 31, 2023, the share capital remains unchanged compared to the end of the previous reporting period. The number of ordinary shares issued is 8 503 000 with a nominal value of BGN 1, amounting to a total share capital of BGN 8 503 thousand as of December 31, 2023. The majority owner of the Company is "Management Financial Group" AD with 88.42%.

Reserves

The company forms legal reserves in accordance with the requirements of the Commercial Law in the amount of BGN 15 910 thousand legal reserves.

Change in accumulated actuarial gain/(loss) reserve in capital

	2023	**2022**
Accumulated actuarial gain/(loss) on 1 January	57	-
Actuarial gain/(loss) on liability recognized as other comprehensive income	(140)	57
Accumulated actuarial profit/(loss) at 31 December	**(83)**	**57**

Retained earnings

	December 31, 2023	**December 31, 2022** **(restated)**
Retained earnings from previous periods	138 795	114 728
Distributed dividend	(2 000)	(1 000)
Current profit	20 131	25 067
	156 926	**138 795**

The changes in equity in 2022 are as follows:

- Reported profit for the period in the amount of BGN 25 067 thousand.
- During the reporting period, a decision was made to distribute a dividend in the amount of BGN 1 000 thousand.

The changes in equity in 2023 are as follows:

- Reported profit for the period in the amount of 20 131 BGN thousand
- During the reporting period, a decision was made to distribute a dividend in the amount of BGN 2 000 thousand.

24. Notes to the statement of cash flows

Unavailable transactions

Receivables for commissions from Financial Bulgaria EOOD in the total amount of BGN 85 924 thousand. are intercepted in 2023 with the liabilities to Financial Bulgaria EOOD for collected guarantees.

Changes in liabilities arising from financing activities

The tables below describe changes in the Company's liabilities resulting from financing activities, including monetary and non-monetary changes. Liabilities arising from financing activities are those for which cash flows have been or future cash flows will be classified in the Company's separate statement of cash flows as cash flows from financing activities.

	01.01.2023	Cash flows from financing activities	Changes of a non-monetary nature	31.12.2023
Loans received	26 891	11 650	7 041	45 582
Lease liabilities	1 939	(2 408)	5 198	4 729
	28 830	**9 242**	**12 239**	**50 311**

	01.01.2022	Cash flows from financing activities	Changes of a non-monetary nature	31.12.2022
Loans received	29 899	2 896	(5 904)	26 891
Lease liabilities	2 173	(2 203)	1 969	1 939
	32 072	**693**	**(3 935)**	**28 830**

25 . Financial risk management

The nature of the Company's activity requires the assumption and professional management of known financial risks, which includes their identification, measurement and management. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and/or market practices.

The Company's objective is to achieve an appropriate balance between the risks assumed and the returns received, as well as to minimize the potential adverse effects on the financial results. In this context, risk is defined as the probability of experiencing losses or lost benefits due to factors internal or external to the organization. Risk management is carried out within the framework of rules and procedures approved by the Management. The company identifies, assesses and manages financial risks in close cooperation with operational units. The management sets the principles for overall control and risk management, as well as written policies, regarding areas specific to the Company. The risks that arise in connection with financial instruments to which the Company is exposed include credit risk, liquidity risk, market risk and operational risk, disclosed below.

A. Credit risk

Credit risk is related to incurring financial losses due to non-fulfilment of the liabilities of the Company's customers, suppliers, and creditors. The credit risk is primarily related to the guarantee services provided to the Company's clients.

The Company's credit policy and its implementation are analyzed on an ongoing basis and changed if necessary at the suggestion of the management. It is responsible for the operational approach to risk management and sets work priorities, according to the risk management strategy and principles, adopts credit risk controls and reviews the procedures and system for its management.

A.1. Measurement of credit risk

The assessment of credit risk for the portfolio of micro-loans is done on a portfolio basis and requires the performance of additional calculations of the probability of non-payment at maturity, as well as the related loss rates, correlation dependencies in the portfolio of assets, etc.

For its internal needs, the Company uses its own credit risk measurement and analysis models. These models are subject to periodic review and comparison of their behavior against real quantities, and adjustments are made to the underlying variables to optimize model performance. These credit risk measurement procedures are part of the Company's routine operational activity.

The key inputs used to measure expected credit loss (ECL) are:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

These data are typically derived from internally developed statistical models and other historical data and are adjusted to reflect probability-weighted forecast information.

Probability of default (PD) is a forecast of the probability of default over a specified time range. Estimated at a given time. The calculation is based on statistical rating models and is evaluated using rating tools tailored to the different categories of counterparties and exposures. These statistical models are based on internal data including quantitative and qualitative factors. Estimated values are calculated taking into account the agreed terms of exposures and estimated prepayment rates. The rating is based on current conditions adjusted to account for future conditions that will affect the probability of default.

Probability of default is a combination of application assessment and behavioral assessment. A client is considered to be in default when he has not fulfilled his liabilities for more than 90 days or at least one of his exposures has been restructured. During the regular credit risk assessment process, when a persistently late paying customer is identified, it may trigger a default event, even if the previous two criteria are met (probability of default or an event leading to a probability of default). .

Impairment is based on probability of default for 12 months when the customer is not in default and there is no significant increase in credit risk. The significant increase is assessed based on quantitative and qualitative criteria. When one of the criteria for a significant increase in credit risk is present, the corresponding exposure is impaired with a probability of default for the entire term. Full term probability of default is related to the remaining maturity of the loan and default events over the expected term of the financial instrument.

(All amounts are in BGN'000, unless otherwise stated)

Loss Given Default (LGD) is an estimate of the loss given default and is stated as a percentage of the exposure. It is based on the difference between the contractual cash flows due and those the Company expects to receive. LGD calculation models for unsecured assets take into account recovery time (customer payments or assignment payments). The loss at default varies widely, depending on the characteristics of the counterparty, the type and structural features of the loan, the availability of collateral or credit support of the debtor.

Exposure at default (EAD) is a forecast of exposure at a future date of default, taking into account expected changes in exposure after the reporting date, including payments. Exposure at default and loss given default are measured on a portfolio basis for the underlying pool of micro-loans.

A.2. Credit risk management policy

The Company manages credit risk by setting limits related to single customer, office and other categories of portfolio diversification. Exposure to credit risk is managed through a regular age analysis of claims for fees under granted guarantees, changing the criteria, requirements and approval procedures for pricing limits and the guarantee itself in a manner appropriate to the situation.

A.3. Maximum exposure to credit risk

For the financial assets owned by the Company, the maximum exposure to credit risk is best represented by their carrying amount as follows:

	Maximum exposure	
	December 31, 2023	**December 31, 2022** (restated)
Cash and cash equivalents	2 283	2 621
Microloans granted to individuals	92 381	78 386
Individually significant loans granted	129 538	103 608
Other assets	3 774	26 631
	227 976	**211 246**

A.4. Analysis of the credit risk of receivables from customers under unguaranteed microloans granted to individuals

The tables below analyze the credit risk of customer receivables under unguaranteed microloans granted to individuals:

Receivables gross **As of December 31, 2023**	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Regular	-	-	-	-
Overdue up to 30 days	600	-	-	600
31 - 90 days overdue	-	23	-	23
More than 90 days past due	-	-	209	209
Total	**600**	**23**	**209**	**832**

Receivables gross **As of December 31, 2022**	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Regular	-	-	-	-
Overdue up to 30 days	464	-	-	464
31 - 90 days overdue	-	161	-	161
More than 90 days past due	-	-	1 405	1 405
Total	**464**	**161**	**1 405**	**2 030**

(All amounts are in BGN'000, unless otherwise stated)

As of December 31, 2023	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Receivables gross	600	23	209	832
Depreciation	(28)	(8)	(174)	(210)
Receivables, net	**572**	**15**	**35**	**622**

As of December 31, 2022	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Receivables gross	464	161	1 405	2 030
Depreciation	(30)	(75)	(1 197)	(1 302)
Receivables, net	**434**	**86**	**208**	**728**

Receivables gross 2023 year	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Balance as of January 1, 2023.	464	161	1 405	2 030
Transfer to Phase 1	(153)	-	-	(153)
Transfer to phase 2	-	(81)	-	(81)
Transfer to phase 3	-	-	112	112
Acquired financial assets	590	17	55	662
Claims settled	(301)	(74)	(1 363)	(1 738)
Balance as of December 31, 2023	**600**	**23**	**209**	**832**

Receivables gross 2022 year	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Balance as of January 1, 2022.	1 199	872	2 699	4 770
Transfer to Phase 1	(566)	-	-	(566)
Transfer to phase 2	-	(293)	-	(293)
Transfer to phase 3	-	-	507	507
Acquired financial assets	443	149	865	1 457
Claims settled	(612)	(567)	(2 666)	(3 845)
Balance as of December 31, 2022	**464**	**161**	**1 405**	**2 030**

Impairment of receivables 2023	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Balance as of January 1, 2023.	30	75	1 197	1 302
Transfer to Phase 1	(10)	-	-	(10)
Transfer to phase 2	-	(39)	-	(39)
Transfer to phase 3	-	-	106	106
Acquired financial assets	28	6	44	78
Claims settled	(20)	(34)	(1 173)	(1 227)
Balance as of December 31, 2023	**28**	**8**	**174**	**210**

Impairment of receivables 2022	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Balance as of January 1, 2022.	106	438	2 120	2 664
Transfer to Phase 1	(50)	-	-	(50)
Transfer to phase 2	-	(147)	-	(147)
Transfer to phase 3	-	-	508	508
Acquired financial assets	29	69	710	808
Claims settled	(55)	(286)	(2 141)	(2 482)
Balance as of December 31, 2022	**30**	**75**	**1 197**	**1 302**

(All amounts are in BGN'000, unless otherwise stated)

A.5. Analysis of the credit risk of receivables from customers under granted guaranteed microloans to individuals.

The tables below analyze the credit risk of customer receivables for unguaranteed microloans granted to individuals:

Receivables gross	**December 31, 2023**	**December 31, 2022**
Regular	91 730	77 606
Doubtful	-	-
Credit Impaired	-	7 513
Total	**91 730**	**85 119**

	December 31, 2023	**December 31, 2022**
Receivables gross	91 730	85 119
Impairment	-	(7 513)
Receivables, net	**91 730**	**77 606**

A.6. Analysis of the credit risk of receivables from customers for individually significant loans granted to legal entities and individuals

The tables below analyze the credit risk of customer receivables for individually significant loans granted to legal entities and individuals:

Receivables gross	**December 31, 2023**	**December 31, 2022**
Regular	122 416	90 083
Doubtful	14 158	19 907
Credit Impaired	3 186	2 229
Total	**139 760**	**112 219**

	December 31, 2023	**December 31, 2022**
Receivables gross	139 760	112 219
Impairment	10 222	(8 611)
Receivables, net	**129 538**	**103 608**

(All amounts are in BGN'000, unless otherwise stated)

B. Liquidity risk

Liquidity risk is related to the impossibility of fulfilling the Company's liabilities when they become due. Net cash outflows would reduce available cash resources. Under certain circumstances, a lack of liquidity may result in asset sales or the potential inability to meet credit commitments. The risk that the Company will not be able to meet its monetary liabilities is inherent in the activity and can be caused by a wide range of institutional-specific and market events such as mergers and acquisitions activities, systemic shocks and natural disasters, etc.

B.1. Liquidity risk management policy

The Company's liquidity management includes monitoring future cash flows. This includes maintaining highly liquid assets; monitoring liquidity ratios from the statement of financial position; management of the concentration and maturity structure of liabilities, etc. An analysis of the agreed maturities of financial liabilities and financial assets is performed.

The Company has a diversified portfolio of cash and high quality, highly liquid assets to meet its current liabilities.

B.2. Maturity analysis of financial liabilities

The tables below present the Company's undiscounted cash flows due from financial liabilities by remaining period to maturity. The amounts presented in the table are the agreed non-discounted cash flows, which also include interest, if any.

As of December 31 , 2023	**Carrying (book) value**	**Contracted cash flows**				
		Up to 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Financial liabilities						
Loans received	45 582	-	39 707	11 295	-	51 002
Lease liabilities	4 729	600	1 799	2 544	-	4 943
Trade payables	24 118	1 501	22 617	-	-	24 118
	74 429	**2 101**	**64 123**	**13 839**		**80 063**

As of December 31 , 2022	**Carrying (book) value**	**Contracted cash flows**				
		Up to 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Financial liabilities						
Loans received	26 891	-	28 959	-	-	28 959
Lease liabilities	1 939	435	1 305	265	-	2 005
Trade payables	47 275	4 984	42 291	-	-	47 275
	76 105	**5 419**	**72 555**	**265**	**-**	**78 239**

C. Market risk

The Company is exposed to market risk, which is the probability that the fair value or cash flows associated with financial instruments will vary due to changes in market prices. Market risks arise primarily from positions in interest rate, currency and equity products that are exposed to general and specific market movements and changes in the level of market rate or price dynamics. Due to the specificity of the Company's financial instruments, it is primarily exposed to interest rate risk.

(All amounts are in BGN'000, unless otherwise stated)

C.1 Interest rate risk

Interest rate risk related to cash flows can occur when changes in market interest rates affect future cash flows from financial instruments. A possible interest rate risk related to the fair value is that when the value of a financial instrument changes due to a change in market interest rates.
The company is exposed to both risks – related to fair value and related to cash flow. Interest margins may increase as a result of these changes, which in turn would limit potential losses to the Company arising from changes in market interest rates. Trade and other receivables / liabilities are not interest-bearing.

As of December 31, 2023

	Variable interest rate	*Fixed interest rate*	*Interest free*	*Total*
Financial assets				
Cash and cash equivalents	-	-	2 283	2 283
Microloans granted to individuals	-	92 381	-	92 381
Individually significant loans granted	-	129 538	-	129 538
Other assets	-	-	3 774	3 774
Total financial assets	**-**	**221 919**	**6 057**	**227 976**
Financial liabilities				
Loans received	9 836	35 746	-	45 582
Lease liabilities	-	4 729	-	4 729
Trade payables	-	-	24 118	24 118
Total financial liabilities	**9 836**	**40 475**	**24 118**	**74 429**

As of 31 December 2022 (restated)

	Variable interest rate	*Fixed interest rate*	*Interest free*	*Total*
Financial assets				
Cash and cash equivalents	-	-	2 621	2 621
Microloans granted to individuals	-	78 386	-	78 386
Individually significant loans granted	-	103 608	-	103 608
Other assets	-	-	26 631	26 631
Total financial assets	**-**	**181 994**	**29 252**	**211 246**
Financial liabilities				
Loans received	9 833	17 058	-	26 891
Lease liabilities	-	1 939	-	1 939
Trade payables	-	-	47 275	47 275
Total financial liabilities	**9 833**	**18 97**	**47 275**	**76 105**

(All amounts are in BGN'000, unless otherwise stated)

C.2 Currency risk

Fluctuations in exchange rates affect the Company's financial position and cash flows. As a result of the currency board, the Bulgarian lev is pegged to the euro at a leva-to-euro ratio of 1.95583/EUR, which means that positions in this currency do not lead to significant currency risk unless the ratio is changed in the future.

As of December 31, 2023

	BGN	*Euro*	*Dollars*	*Total*
Financial assets				
Cash and cash equivalents	2 239	36	8	2 283
Microloans granted to individuals	92 381	-	-	92 381
Individually significant loans granted	115 165	14 373	-	129 538
Other assets	2 648	1 042	84	3 774
Total financial assets	**212 433**	**15 451**	**92**	**227 976**

	BGN	*Euro*	*Dollars*	*Total*
Financial liabilities				
Loans received	26 270	19 312	-	45 582
Lease liabilities	4 729	-	-	4 729
Trade payables	24 107	11	-	24 118
Total financial liabilities	**55 106**	**19 323**	**-**	**74 429**

As of 31 December 2022 (restated)

	BGN	*Euro*	*Dollars*	*Total*
Financial assets				
Cash and cash equivalents	2 552	68	1	2 621
Microloans granted to individuals	78 386	-	-	78 386
Individually significant loans granted	93 073	10 535	-	103 608
Other assets	26 554	2	75	26 631
Total financial assets	**200 565**	**10 605**	**76**	**211 246**
Financial liabilities				
Loans received	14 748	12 143	-	26 891
Lease liabilities	1 939	-	-	1 939
Trade payables	47 268	7	-	47 275
Total financial liabilities	**63 955**	**12 150**	**-**	**76 105**

D. Operational risk

Operational risk is the risk of losses due to systems failure, human error, fraud or external events. When the established control systems and activities do not prevent such events, operational risks may damage the reputation, have legal or regulatory consequences or lead to financial losses for the Company. The Company does not expect to eliminate all operational risks, but strives to manage these risks by building a good control environment, as well as by monitoring and managing potential risks. Control measures include effective segregation of duties, definition of access rights, authorization of transactions, and reconciliation of information from different sources, training and evaluation of personnel, and other types of control.

E. Fair value of financial assets and liabilities

For financial instruments that are traded in active markets, the determination of fair value is based on market prices or dealer price quotes. A financial instrument is considered to be traded in an active market if the quoted prices are regularly available from an exchange, dealer, broker, company of the relevant industry or regulatory agency and these prices represent current and regularly executed transactions in the market. If the above criteria are not met, the market is considered inactive.

For all other financial instruments, fair value is determined using valuation models. Fair values of loans and receivables, as well as liabilities to third parties, are determined using a present value model based on agreed cash flows, taking into account credit quality, liquidity and expenses; their fair value does not differ materially from their net carrying amount. The fair values of contingent liabilities and non-cancellable loan liabilities correspond to their carrying amounts.

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amount is close to their fair value. This assumption also applies to demand deposits and time savings deposits.

IFRS 7 "Financial Instruments: Disclosure" requires the explanatory notes to the financial statement to contain information on the determination of fair value in accordance with IFRS 13 "Fair Value Measurement" of financial assets and liabilities that are not presented at fair value in the statement of financial condition. IFRS 13 defines a hierarchy of valuation techniques, depending on the extent to which the inputs to the models are observable or unobservable. Inputs that can be monitored include market information obtained from external information sources; unobservable inputs include the Company's assumptions and judgments.

These two types of inputs define the following hierarchy of fair value estimates:

- Level 1 – quotes from active markets for identical financial instruments. This includes listed equity and debt instruments
- Level 2 – inputs other than Level 1 data that can be observed directly or indirectly (ie can be derived from market prices).
- Level 3 – inputs that cannot be observed and/or based on external market information. This group includes instruments whose significant components cannot be observed.

The above hierarchy of valuation methods requires the use of market information whenever possible. When performing the evaluations, the Company takes into account relevant observable market prices in cases where this is possible.

(All amounts are in BGN'000, unless otherwise stated)

Fair value of financial instruments:

	As of December 31 , 2023		*As of December 31, 2022 (restated)*	
Financial assets	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Cash and cash equivalents	2 283	2 283	2 621	2 621
Microloans granted to individuals	92 381	92 381	78 386	78 386
Individually significant loans granted to legal entities and individuals	129 538	129 538	103 608	103 608
Other assets	3 774	3 774	26 631	26 631
Total financial assets	**227 976**	**227 976**	**211 246**	**211 246**
Financial liabilities				
Loans received	45 582	45 582	26 891	26 891
Lease liabilities	4 729	4 729	1 939	1 939
Trade and other payables	24 118	24 118	47 275	47 275
Total financial liabilities	**74 429**	**74 429**	**76 105**	**76 105**

The following table provides information on the financial instruments for which fair value disclosure is required in accordance with IFRS 7, distributed according to the valuation methods used as of 31 December 2023:

	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets				
Cash and cash equivalents	2 283	-	-	2 283
Microloans granted to individuals	-	-	92 381	92 381
Individually significant loans granted to legal entities and individuals	-	-	129 538	129 538
Other assets	-	-	3 774	3 774
Financial liabilities				
Loans received	-	-	45 582	45 582
Lease liabilities	-	-	4 729	4 729
Trade and other payables	-	-	24 118	24 118

(All amounts are in BGN'000, unless otherwise stated)

F. Capital Management

The Company's capital management objectives are to maintain a strong capital base to ensure the Company's ability to continue as a going concern and to provide conditions for development. There were no changes in the capital management approach during the period.

The leverage ratio (the ratio of net debt to total equity) as of December 31, 2023 and December 31, 2022 is as follows:

	December 31, 2023	**December 31, 2022**
		(restated)
Total debt capital	84 878	84 250
Reduced by Cash and Cash Equivalents	(2 283)	(2 621)
Net debt capital	82 595	81 629
Equity	181 256	163 265
Total capital	**263 851**	**244 894**
Debt ratio	**0.31**	**0.33**

The company has a legal liability for a minimum equity capital of BGN 1 million, which as of December 31, 2023 has been met.

The Company's equity consists of registered capital, reserves and retained earnings. Summary quantitative data on the composition of the Company's equity capital are disclosed in Note 22.

26. Related Party Transactions

Entities are considered related if one of the parties has the ability to exercise control or significant influence over the other in making financial or operational decisions, or is placed under joint control by a third party.

26.1. Composition of related parties

Name of the company	*Connectivity type*
Management Financial Group AD	Parent company
Financial Bulgaria Ltd	Subsidiary Company
April Finance EAD	Subsidiary Company
SC Easy Asset Management IFN AD - Romania	Subsidiary Company
Easy Credit LLC - Ukraine	Subsidiary Company
Ai Credit SP.Z.O.O. - Poland	Subsidiary Company
Easy Payment Services Ltd	Subsidiary Company
FD Em Cash Macedonia LLC Skopje, Macedonia	Subsidiary Company
Easy Individual Solutions - Mexico	Subsidiary Company
Easy Asset Services Ltd	Subsidiary Company
Easy Asset Management ShPC, Albania	Subsidiary Company
Easy Asset Management d.o.o. , Croatia	Subsidiary Company
Easy Asset Management Iberia - Spain	Subsidiary Company
Access Finance AD	Company under common control
AXI Finance IFN SA, Romania	Company under common control
Access Finance SL, Spain	Company under common control
Access Finance Inc, USA	Company under common control
Iuvo OOD, Bulgaria	Company under common control
Iuvo Group OJU, Estonia	Company under common control
Iuvo Credit OJU, Estonia	Company under common control
Iuvo Finance UU, Estonia	Company under common control
Viva Credit Ltd	Company under common control
Express Pay Ltd	Company under common control
Smart Innovative Technologies Ltd	Company under common control
Fintrade Finance AD	Company under common control
Flexible Financial Solutions TOV, Ukraine	Company under common control
Seawines AD	Company under common control
Seawines Logistics Ltd	Company under common control
Seawines Spirit AD	Company under common control
Liquid Dreams Ltd	Company under common control
Colline Albelle SA, Italy	Company under common control
Arrears Control Agency Ltd	Company under common control
Agency for Control of Outstanding Debt SRL, Romania	Company under common control
ZD Instinct EAD	Company under common control
Smart Asset Services Ltd	Company under common control
MFG Microcredit Ghana Limited	Company under common control
Miafora Ltd, Cyprus	Company under common control
MFG Digital Limited, UK	Company under common control
April Services Ltd	Company under common control
MFG Partners EOOD	Company under common control
Sofia Fin-invest Private Limited, India	Company under common control
MFG Invest AD	Company under common control
Chiron Management AD	A company under common control through key management personnel
New Pay AD	A company under common control through key management personnel
Setap Services AD - in liquidation	A company under common control through key management personnel

(All amounts are in BGN'000, unless otherwise stated)

Unless otherwise indicated, transactions with related parties are not carried out under special conditions.

26.2. Trade transactions with related parties (amounts are exclusive of VAT)

Related Person	*Type of deal*	**2023**	**2022**
Sales			
Easy Credit LLC	Loan interest	101	123
Ai Credit SP.Z.O.O. - Poland	Loan interest	1 259	1 349
FD M Cash Macedonia LLC Skopje	Loan interest	-	97
Easy Asset Services Ltd	Loan interest	80	29
Management Financial Group AD	Loan interest	2 732	1 784
Fintrade Finance AD	Loan interest	185	184
Access Finance AD	Loan interest	534	1 299
Express Pay Ltd	Loan interest	34	34
Arrears Control Agency Ltd	Loan interest	881	829
Easy Payment Services Ltd	Loan interest	204	217
AXI Finance IFN SA	Loan interest	18	29
Viva Credit Ltd	Loan interest	59	8
Easy Asset Management LLC	Loan interest	11	3
Easy Asset Management d.o.o.	Loan interest	116	11
Easy Asset Management Iberia - Spain	Loan interest	81	-
April Finance EAD	Loan interest	6	-
Arrears Control Agency Ltd	Cession	704	136
Easy Credit LLC	License fee	9	14
FD Em Cash Macedonia LLC Skopje, Macedonia	Services provided	1	-
Viva Credit Ltd	Services provided	8	1
Financial Bulgaria Ltd	Services provided	65 798	35 941
Access Finance AD	Services provided	12	1
Arrears Control Agency Ltd	Services provided	1	-
SC Easy Asset Management IFN AD – Romania	Services provided	1	-
Ai Credit SP.Z.O.O. – Poland	Services provided	2	-
New Pay AD	Services provided	1	-
Iuvo OOD	Services provided	1	-
Fintrade Finance AD	Services provided	1	-
Easy Payment Services Ltd	Services provided	2	-
ZD Instinct EAD	Services provided	2 479	-
FD Em Cash Macedonia LLC Skopje, Macedonia	Sale DMA	2	-
		75 323	**42 090**

(All amounts are in BGN'000, unless otherwise stated)

Related Person	*Type of deal*	**2023**	**2022**
Purchases			
SC Easy Asset Management IFN AD – Romania	Loan interest	-	363
Easy Asset Services Ltd	Loan interest	59	1
Financial Bulgaria Ltd	Loan interest	54	-
Iuvo Group OJU, Estonia	Services received	604	460
Viva Credit Ltd	Services received	-	31
Seawines Spirit AD	Services received	16	-
Seawines Logistics Ltd	Services received	8	2
Seawines AD	Services received	200	49
Easy Asset Services Ltd	Services received	218	214
Chiron Management AD	Services received	411	232
Access Finance AD	Services received	1	3
April Finance EAD	Services received	-	6
Management Financial Group AD	Services received	5	-
Easy Asset Management d.o.o.	Services received	82	-
Express Pay Ltd	Services received	1	-
Smart Innovative Technologies Ltd	Services received	384	-
Smart Asset Services Ltd	Services received	1 166	1 046
Smart Asset Services Ltd	Purchase DMA	-	170
		3 209	**2 577**

During the year ending on 31.12.2023, the company distributed a dividend to shareholders in the amount of BGN 2 million.

Dividends received from subsidiaries are disclosed in Note 4 to this individual report.

Related party name	**2023 year**		**2022 year**	
Loans granted	***Principals provided***	***Repaid principals***	***Principals provided***	***Repaid principals***
Easy Asset Services Ltd	1 050	3 019	1 989	20
Viva Credit Ltd	3 500	-	1 000	1 000
Access Finance AD	500	7 407	7 160	10 980
Arrears Control Agency Ltd	1 900	600	3 960	3 350
Management Financial Group AD	32 264	9 950	32 582	11 180
Easy Asset Management Iberia - Spain	2 683	-	-	-
April Finance EAD	480	-	-	-
Ai Credit SP.Z.O.O. - Poland	-	348	811	1 648
Easy Asset Management d.o.o. , Croatia	1 369	-	782	-
Easy Asset Management ShPC, Albania	16	-	108	-
Easy Credit LLC - Ukraine	7	10	49	332
FD Em Cash Macedonia LLC Skopje, Macedonia	-	-	-	1 966
AXI Finance IFN SA, Romania	-	-	-	196
Express Pay Ltd	-	-	10	-
Easy Payment Services Ltd	-	-	3 300	6 100
	43 769	**21 334**	**51 751**	**36 772**

(All amounts are in BGN'000, unless otherwise stated)

Related party name	2023 year		2022 year	
Loans received	*Principals received*	*Repaid principals*	*Principals received*	*Repaid principals*
Easy Asset Services Ltd	6 432	340	30	30
Financial Bulgaria Ltd	2 934	80	-	-
SC Easy Asset Management IFN AD - Romania	-	-	-	3 325
Smart Innovative Technologies Ltd	-	-	-	200
	9 366	**420**	**30**	**3 555**

26.3. Related parties balances

Related party name	*Balance type*	December 31, 2023		
		Receivables, gross	**Impairment**	**Receivables, net**
Receivables				
Easy Credit LLC, Ukraine	Loan	1 740	(1 740)	-
Ai Kredit SP.Z.O.O., Poland	Loan	14 158	(4 492)	9 666
Express Pay Ltd	Loan	621	(621)	-
Viva Credit Ltd	Loan	3 559	(49)	3 510
AXI Finance IFN SA , Romania	Loan	339	(339)	-
Fintrade Finance AD	Loan	2 066	(28)	2 038
Arrears Control Agency Ltd	Loan	13 906	(175)	13 731
Easy Payment Services Ltd	Loan	6 863	(526)	6 337
Management Financial Group AD	Loan	86 047	(618)	85 429
Access Finance AD	Loan	4 136	(137)	3 999
Easy Asset Management LLC	Loan	137	-	137
Easy Asset Management d.o.o.	Loan	2 278	(59)	2 219
Easy Asset Management Iberia - Spain	Loan	2 764	(277)	2 487
April Finance EAD	Loan	486	(486)	-
FD Em Cash Macedonia LLC Skopje, Macedonia	Dividend	1 034	-	1 034
Arrears Control Agency Ltd	Cession	22	-	22
Access Finance AD	Services	2	-	2
SC Easy Asset Management IFN AD – Romania	Services	1	-	1
FD M Cash Macedonia LLC Skopje	Services	5	-	5
Ai Credit SP.Z.O.O. – Poland	Services	2	-	2
Yuvo Ltd	Services	1	-	1
Viva Credit Ltd	Services	1	-	1
ZD Instinct EAD	Services	2	-	2
New Pay AD	Services	1	-	1
Arrears Control Agency Ltd	Services	1	-	1
Fintrade Finance AD	Services	2	-	2
Easy Credit LLC, Ukraine	License fee	84	-	84
		140 258	**(9 547)**	**130 711**

(All amounts are in BGN'000, unless otherwise stated)

Related party name	*Balance type*	**December 31, 2022** **Receivables, gross**	**Impairment**	**Receivables, net**
Receivables				
Easy Credit LLC, Ukraine	Loan	1 642	(1 642)	-
Ai Kredit SP.Z.O.O., Poland	Loan	13 248	(4 358)	8 890
FD M Cash Macedonia LLC Skopje	Loan	415		415
Express Pay Ltd	Loan	587	(564)	23
AXI Finance IFN SA, Romania	Loan	321		321
Fintrade Finance AD	Loan	2 066		2 066
Arrears Control Agency Ltd	Loan	11 725		11 725
Easy Payment Services Ltd	Loan	6 659	(1 500)	5 159
Management Financial Group AD	Loan	61 001		61 001
Access Finance AD	Loan	11 102		11 102
Easy Asset Management LLC	Loan	110		110
Easy Asset Management d.o.o.	Loan	793		793
Arrears Control Agency Ltd	Cession	25		25
Access Finance AD	Services	1		1
FD M Cash Macedonia LLC Skopje	Services	2		2
April Finance EAD	Services	1		1
Financial Bulgaria Ltd	Services	24 313		24 313
Easy Credit LLC, Ukraine	License fee	75		75
		134 086	**(8 064)**	**126 022**

Related party name	*Transaction type*	**2023**	**2022**
Payables			
Financial Bulgaria Ltd	Loan	6 146	-
Easy Asset Services Ltd	Loan	2 913	-
Management Financial Group AD	Services	5	-
Financial Bulgaria Ltd	Services	22 617	42 291
Iuvo Group OJ	Services	26 878	21 082
Easy Asset Services Ltd	Services	11	-
Easy Asset Management d.o.o.	Services	53	-
Seawines AD	Services	-	35
Smart Asset Services Ltd	Services	112	-
ZD Istinkt EAD	Services	316	-
Chiron Management AD	Services	34	3
		59 085	**63 411**

The remuneration of key management employees for 2023 amounts to BGN 1 930 thousand (for year 2022: BGN 1 821 thousand).

The amount of outstanding loans given to the management personnel as of December 31, 2023 is BGN 1 thousand (as of December 31, 2022: BGN 5 thousand).

Outstanding year-end balances are not collateralized. No guarantees have been given or received for receivables or payments to related parties.

27. Contingent liabilities

The company is a party (defendant) to legal disputes related to trade cases. The Company's management, together with the legal advisor, has analyzed the state of litigation and has determined that there are no significant risks that would require the recognition of provisions in the financial statements as of December 31, 2023.

28. Subsequent events

For the period after the date of the statement of financial position, the Company has not identified significant or corrective events that are related to its activity during the reporting period and that should be separately disclosed or require changes to the financial statement.

29. Approval of financial statements

The individual financial statements as of December 31, 2023 (including comparative information) have been approved for issuance by the Board of Directors on September 24, 2024.