



EASY ASSET MANAGEMENT AD
Consolidated Activity Report
Consolidated Non-financial Declaration
Independent Auditor's Report
Consolidated Financial Statements
For the year ending December 31, 2023

EASY ASSET MANAGEMENT AD
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EASY ASSET MANAGEMENT AD
CONSOLIDATED ACTIVITY REPORT
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Management presents its Consolidated 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 Consolidated Statement has been audited by MGI Delta OOD.

CORPORATE INFORMATION

"EASY ASSET MANAGEMENT" AD, EIC: 13 1576434 ("Parent Company" or "Company") is a joint-stock company established on December 8, 2005, and operating in Bulgaria. The seat and address of the Company's management are: Blvd. "Jawaharlal Nehru" № 28, Sofia, Bulgaria. The company is represented jointly and separately by Galin Todorov Todorov and Angel Vasilev Madzhirov - 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 Vasilev.

The members of the Board of Directors do not receive remuneration in their capacity as members of the board.

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.

Galın 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 Madzhırov 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 Belgrade. – 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 OOD – 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 S.R.L - Member of the Board of Directors;
10. April Finance EAD - Member of the Board of Directors.

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Nedelecho 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" AD; "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 S.A – 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" AD; "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 S.A – 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 S.R.L - 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.

The Group 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 is 6,922 Ukrainian hryvnias, which at the date of capital registration was equivalent to 800 thousand. EUR or 1,565 thousand BGN. As of 31.12.2023 the capital is in the amount of 14,970 thousand BGN.

The Group 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 861 thousand BGN (equivalent to 440 thousand euros). 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 BGN 2,950 thousand. euro (13,722 thousand lei).

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The group 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 2 thousand. BGN (equivalent to 5 thousand zlotys) 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 group 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 registration is 1,000 thousand. BGN 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 in the amount of 14,900 thousand BGN.

The group 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 200 thousand. dollars, equivalent to 345 thousand BGN at the date of incorporation. Since 2019, the company has not carried out commercial activity and was liquidated in January 2023.

In 2017 "Easy Asset Management" AD 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 51 million. BGN 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 1,500 thousand BGN.

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 800 thousand. euro.

The group owns 98% of A.D.P.K Easy Individual Solutions F.D.M.D. ("Subsidiary"), established on 29.07.2019. The Subsidiary is registered under the laws of Mexico. The value of the registered capital is 402 thousand. Mexican pesos (equivalent to BGN 37,000) as of the date of incorporation. In 2023, the company did not carry out any commercial activity.

In 2020, the Group 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 5 thousand. BGN , and with a non-monetary contribution (capitalization of a loan) the capital reaches 13,405 thousand. BGN

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 Group.

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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 46 thousand. BGN

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 3 thousand. euro (equivalent to BGN 6 thousand) and is 100% owned by the Group.

Shareholder structure

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

Shareholders	Shares count	Value per share in BGN	Total value in BGN	% from the 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 parent company did not acquire and transfer its own shares as of December 31, 2023. and 31 December 2022. and does not own any. The group can buy back its shares under the conditions and procedure provided by law.

GENERAL OVERVIEW

"Easy Asset Management" AD (the parent company) is a non-banking financial institution with a focus on microloan 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 an employment contract amounts to 3,108 people.

During the year ending on December 31, 2023, the Group realized a profit of BGN 54,183 thousand. (2022: BGN 24,523 thousand), which is mainly formed by revenue from interest, fees and penalties, as well as other revenue from the activity such as insurance, packages with medical services and revenue from payment services. During the year ending 31 December 2023 the main expenses of the Group are related to losses from impairment of financial assets - BGN 43,794 thousand (2022: BGN 61,552 thousand), personnel expenses - BGN 117,084 thousand (2022: BGN 101,771 thousand), expenses related to the Group's activity - BGN 53,198 thousand (2022: 49,494 thousand BGN).

As of December 31, 2023 total assets of the Group are BGN 341,691 thousand (2022: BGN 277,151 thousand), of which microloans granted to natural persons – BGN 170,979 thousand (2022: BGN 135,257 thousand), individually significant loans granted – BGN 123,886 thousand (2022: BGN 106,456 thousand), trade and other receivables BGN 17,650 thousand (2022: BGN 13,913 thousand).

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 user-friendly. It lends money nationwide with the help of more than 2,000 credit counselors and nearly 200 offices serving more than 1,200 localities. In addition to 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 lent nearly 4.5 million. loans in Europe. For the past year 2023 nearly BGN 232 million were granted. 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 company's gross loan portfolio as of December 2023 is 94 million. BGN or a growth of 4.77% compared to the previous year.

In its activity, the company operates in a highly developed and competitive financial services market, which is why it is affected by price risk. Some 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.

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

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In order to manage credit risk, the Group has developed strict procedures for the analysis and assessment of potential borrowers, including developed scoring procedures and detailed verification of the provided data. Easy Credit has an effective system for tracking 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 loan.

The Group's management currently observes the following financial indicators:

Coefficient	2023	2022	Difference	
	Value	Value	Value	%
Profitability				
On equity	0.27	0.16	0.11	69.43%
On the assets	0.18	0.11	0.07	59.35%
On liabilities	0.54	0.38	0.16	40.28%
On sales revenue	0.22	0.11	0.11	100.73%
Financial autonomy				
Financial autonomy	0.67	0.71	-0.04	-5.70%
Indebtedness	0.33	0.29	0.04	13.90%

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 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.

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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:

	<i>As of 31 December 2023</i>		<i>As of 31 December 2022 (restated)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial assets				
Cash and cash equivalents	8 701	8 701	8 266	8 266
Microloans granted	170 979	170 979	135 257	135 257
Individually significant loans granted	123 886	123 886	106 456	106 456
Other assets	17 650	17 650	13 913	13 913
Total financial assets	321 216	321 216	263 892	263 892
Financial liabilities				
Borrowings	50 845	50 845	47 268	47 268
Lease liabilities	11 821	11 821	4 487	4 487
Trade payables	12 387	12 387	8 632	8 632
Total financial liabilities	75 053	75 053	60 387	60 387

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:**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	8 701	-	-	8 701
Microloans granted to individuals	-	-	170 979	170 979
Individually significant loans granted	-	-	123 886	123 886
Other assets	-	-	17 650	17 650
Financial liabilities				
Borrowings	-	-	50 845	50 845
Lease liabilities	-	-	11 821	11 821
Trade payables	-	-	12 387	12 387

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 2022 (restated):**

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	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	8 266	-	-	8 266
Microloans granted to individuals	-	-	135 257	135 257
Individually significant loans granted	-	-	106 456	106 456
Other assets			13 913	13 913
Financial liabilities				
Borrowings	-	-	47 268	47 268
Lease liabilities	-	-	4 487	4 487
Trade payables	-	-	8 632	8 632

Capital Management

The Company's capital management objectives are to maintain a strong capital base to ensure the Group'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:

	31 December 2023	31 December 2022 (restated)
Total debt capital	103 798	87 964
Less: Cash and cash equivalents	(8 701)	(8 266)
Net debt capital	95 097	79 698
Equity	237 893	189 187
Total capital	332 990	268 885
Debt ratio	0.29	0.30

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

- Market risk

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

✓ Currency risk

Fluctuations in exchange rates have an impact on the Group'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 Group. The Group 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 controls.

The group benefits from all new approaches bordering on art that contribute to optimizing the balance sheet according to business objectives. Invests in a team of big data analysts (data scientists) leading in terms of knowledge and performance. There are outstanding software developments regarding 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 technology 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 every employee's onboarding process, along with GDPR and AML training, with new and new forms of training on the topics being introduced regularly into the organization and passed on to every single company level.

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

The members of the Board of Directors or persons related to them did not enter into 2023. 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 group has not acquired and does not own any own shares.

Actions in the field of research and development

The parent company and the subsidiaries in the Easy Asset Management AD Group did not take any actions in this direction in 2023.

Parent company branches

As of December 31, 2023 The parent company has no branches. One of the subsidiaries of the Easy Asset Management AD Group, namely Easy Payment Services EOOD, operates on the territory of Poland through a branch registered in Poland.

Human capital management

One of the main priorities of the Group 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 Group'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

The 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 Group - 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 locally, but also nationally.

The work of the Group also affects the lives and businesses of our customers.

The regional divisions of the Group, as well as the centralized structures, periodically participate in projects to improve the urban environment, incl. with the Group'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. This is an integral part of the Group's general policy, 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 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 personal 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 interests 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, the "Easy Asset Management" AD Group, as part of MFG, has been building its management structure with a focus on sustainability. The Group strictly follows its values and principles of responsible behavior with its customers, employees, collaborators and partners.

The Group adheres to a uniform code of ethics, there are working policies for reporting irregularities, and a categorical policy of non-discrimination, including in pay, on the basis of gender, sexuality, ethnicity and origin is being developed.

The Group has a code of ethics with a policy for reporting violations and combating corruption.

Conditions are created in the Group where:

- people are hired and promoted for their merits (results and professional experience);
- there are opportunities for development and where a balance between working time and personal life has been achieved;
- team work 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 Group;
- feedback is encouraged in every activity and at every workplace. Opinions and opinions are sought and accepted from employees, actively participating in solving problems in the Group;
- Managers develop their leadership qualities;
- Employees are encouraged to be proactive and deal with change constructively, anticipating it where possible;
- People are encouraged to proactively manage risks in their daily tasks.

Ecology and environmental protection

The management of the "Easy Asset Management" AD Group pays attention to the reasonable way of using resources in order to optimize expenses and protect the environment. Highlights:

- Separate waste collection 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 initiatives for environmental protection 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 Group has not identified significant or corrective events that are related to its activities and that should be separately disclosed or require changes to the Consolidated Financial Statements as of December 31, 2023.

Planned development of the Group for 2023 and prospects

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.

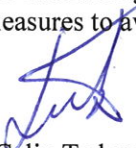
Responsibilities of management

The management of the Easy Asset Management AD Group has prepared a Consolidated Financial Statement for 2023, which gives a true and fair view of the Group's state at the end of the year and its accounting results. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The management confirms that the "Easy Asset Management" AD Group has consistently applied an adequate accounting policy and that in the preparation of the consolidated financial statements as of December 31, 2023, the principle of prudence has been observed in the assessment of assets, liabilities, revenue and expenses.

The management of the "Easy Asset Management" AD Group also confirms that it has adhered to the current accounting standards, and the consolidated financial statements have been prepared on the going concern basis.

The management of the "Easy Asset Management" AD Group 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
Ex. Director


Angel Madzhirov
Ex. Director

Date: September 24, 2024

CONSOLIDATED NON-FINANCIAL DECLARATION
OF EASY ASSET MANAGEMENT AD FOR 2023

The present consolidated 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 headquarters and address of the Group's management are: Blvd. "Jawaharlal Nehru" № 28, Sofia, Bulgaria. The main activity of the Group in accordance with the Law on Credit Institutions is the granting of loans with funds that have not been raised through public attraction of deposits or other recoverable funds.

As of the date of preparation of this consolidated financial statement, the Group 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 AD and its subsidiaries do not produce any product and do 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 staff are satisfied with their work and feel empathetic with the problems and achievements of the Group. The Group considers that social benefits for the staff are an important prerequisite for the economic development of the Group and the staffing with highly qualified personnel.

Employee Policy

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

Equality and respect for human rights

The management of the Group 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 Group'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 Group.

Professional development

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

Gender equality in management positions

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

EASY ASSET MANAGEMENT AD
CONSOLIDATED NON-FINANCIAL DECLARATION
For the year ending December 31, 2023

Anti-corruption policy

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

Major environmental risks

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



Galın Todorov
Executive Director



Angel Madzhırov
Executive Director

Date: September 24, 2024

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Easy Asset Management AD („the Parent-Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated 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 Consolidated 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 consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 consolidated financial statements include:

- Gross value of microloans lended to individuals in the amount of BGN 270,819 thousand (December 31, 2022: BGN 238,608 thousand) and expected credit loss in the amount of BGN 99,840 thousand (December 31, 2022: BGN 103,351 thousand), as presented in Note 10 to the consolidated financial statements;
- Gross value of individually significant loans lended in the amount of BGN 127,828 thousand (December 31, 2022: BGN 112,922 thousand) and expected credit loss in the amount of BGN 3,942 thousand (December 31, 2022: BGN 6,466 thousand), as presented in Note 11 to the consolidated financial statements;
- Net amount of Profit / (Loss) from impairment, recognized in the income statement, in the amount of BGN 43,794 thousand loss (2022: BGN 61,552 thousand loss), as presented in Note 5 to the consolidated financial statements.

See also the following notes to the consolidated financial statements:

- 2.4 Financial Instruments
- 25.A Credit Risk

Key Audit Matter	How this key audit matter was addressed in our audit
<p>The impairment represents a significant management judgment regarding the losses incurred within the Group's credit portfolio. Management evaluates the need for loan impairment on an consolidated and portfolio basis.</p> <p>The loans lended represent a significant part (86%) of the Group's total assets as of December 31, 2023. The Group applies an impairment model based on expected credit losses (ECL) in accordance with the requirements of IFRS 9 Financial Instruments.</p> <p>Determining the impairment of loans by applying this model involves the use of a significant level of judgment by the Groups Management, due to the</p>	<p>In this area, our audit procedures included:</p> <p>Gaining an understanding of the process of determining the ECL for loan impairment, including the models for calculating the ECL on a collective and consolidated basis.</p> <p>Evaluation of the adequacy of accounting policies and impairment methodology based on the requirements of IFRS 9 and our understanding of the Group's business.</p> <p>Inquiries to employees in the Group's risk management, internal audit and information technology departments in order to gain an understanding of the ECL calculation process, the IT</p>

Key Audit Matter

How this key audit matter was addressed in our audit

high level of complexity in determining the amount of expected credit losses.

applications used in it, the main data sources and the assumptions used in the ECL model.

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.

Gaining an understanding and evaluation of internal controls related to the determination of loans impairment.

The key inputs used to measure ECL are: Probability of Default (PD); Loss Given Default (LGD); and Exposure to Default (EAD).

With respect to impairment calculated on a collective basis, we reviewed the methodology used by the Group to determine it, the reasonableness of the underlying assumptions and the completeness and accuracy of the input data.

Due to the materiality of the loans lent as an element of the Group's consolidated 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.

With respect to impairment calculated on an consolidated 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 Group in determining the amount of expected future cash flows.

Evaluation of the adequacy, completeness, and relevance of the Group's disclosures related to loan impairment losses.

Information Other than the Consolidated 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 and those charged with governance of the Group for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Those charged with governance are responsible for overseeing the process on financial reporting of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Consolidated Activity report and the Consolidated 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 organisation of certified public accountants and registered auditors in Bulgaria, the Institute of Certified Public Accountants (ICPA). These procedures refer to testing the existence, form and content of this other information to assist us in forming 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 Consolidated Activity report and the Consolidated Non-financial declaration referring to the financial year for which the consolidated financial statements have been prepared is consistent with those consolidated financial statements.
- (b) The Consolidated Activity report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.
- (c) The Consolidated Non-financial declaration referring to the financial year for which the consolidated financial statements have been prepared has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

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 consolidated financial statements of the Group 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 Parent-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 Group.



Vladimir Kolmakov

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



November 25, 2024

Sofia

EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ending December 31, 2023

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

	Notes	2023	2022 (restated)
Interest, fees, and penalties income		252 245	228 677
Interest and fees expenses		(5 629)	(4 624)
Net income from interest, fees, and penalties	3	246 616	224 053
Other operating income, net	4	30 671	18 399
Impairment loss of financial assets	5	(43 794)	(61 552)
Net gain / (loss) from changes in the fair value of financial assets recognized through profit or loss	6	59	-
Personnel expenses	7	(117 084)	(101 771)
General administrative and other operating expenses	8	(53 198)	(49 494)
Share of results of joint ventures		(74)	28
Profit before tax		63 196	29 663
Income tax expense		(9 013)	(5 140)
Profit for the year		54 183	24 523
Other comprehensive income			
<i>Components that can be reclassified to profit or loss:</i>			
Remeasurement of net defined benefit liability		(140)	57
Foreign exchange differences on translation of foreign operations		(921)	(122)
Other comprehensive income for the year, net of tax		(1 061)	(65)
Total comprehensive income		53 122	24 458
Profit for the year attributable to:			
Owners of the parent company		54 166	24 182
Non-controlling interest		17	341
Total comprehensive income attributable to:			
Owners of the parent company		53 109	24 117
Non-controlling interest		13	341

The notes form an integral part of these financial statements.

The present financial statements were approved on September 24, 2024.

Executive Director

Galin Todorov

Executive Director

Angel Madzhirov

Preparer

Vera Slavova

In accordance with the independent auditor's report:

Audit firm MGI Delta OOD

Vladimir Kolmakov

Manager and registered auditor in charge for the audit

25-11-2024



EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of December 31, 2023

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

	Notes	31 December 2023	31 December 2022 (restated)	1 January 2022 (restated)
ASSETS				
Cash and cash equivalents	9	8 701	8 266	8 900
Microloans granted to individuals	10	170 979	135 257	132 863
Individually significant loans granted	11	123 886	106 456	83 907
Investments in joint ventures		-	74	-
Property, plant and equipment	12	1 962	1 908	2 114
Intangible assets	13	4 013	2 179	2 563
Right-of-use assets	14	11 159	3 715	2 535
Investment property		615	663	711
Other assets	15	17 650	13 913	13 248
Deferred tax assets	16	2 726	4 720	4 540
TOTAL ASSETS		341 691	277 151	251 381
LIABILITIES AND EQUITY				
LIABILITIES				
Borrowings	17	50 845	47 268	46 137
Lease liabilities	18	11 821	4 487	6 122
Trade and other payables	19	40 351	33 900	30 256
Income tax liabilities		781	2 309	1 489
Deferred tax liabilities		-	-	97
TOTAL LIABILITIES		103 798	87 964	84 101
EQUITY				
Share capital		8 503	8 503	8 503
Reserves		14 409	14 719	14 755
Retained earnings		214 943	165 938	143 550
<i>Equity attributable to owners of the parent company</i>		<i>237 855</i>	<i>189 160</i>	<i>166 808</i>
Non-controlling interest		38	27	472
TOTAL EQUITY	24	237 893	189 187	167 280
TOTAL LIABILITIES AND EQUITY		341 691	277 151	251 381

The notes form an integral part of these financial statements.

The present financial statements were approved on September 24, 2024.

Executive Director

Galim Todorov

Executive Director

Angel Madzhirov

Preparer

Vera Slavova

In accordance with the independent auditor's report:
 Audit firm MGI Delta OOD

Vladimir Kolmakov

Manager and registered auditor in charge for the audit

25-11-2024



EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ending December 31, 2023

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

	Equity attributable to equity holders of the parent				Attributable to owners of the parent	Non-controlling interest	Total equity	
	Share capital	Legal reserves	Actuarial gains/(losses)	Foreign exchange reserve				Retained earnings
Balance on January 1, 2022	8 503	15 910	-	(1 155)	143 927	167 185	472	167 657
Changes in opening balances due to corrections of errors from prior periods	-	-	-	-	(377)	(377)	-	(377)
Recalculated balance on January 1, 2022	8 503	15 910	-	(1 155)	143 550	166 808	472	167 280
Total comprehensive income for the period, incl.	-	-	57	(122)	24 182	24 117	341	24 458
Profit for the year	-	-	-	-	24 182	24 182	341	24 523
Other components of comprehensive income, net of taxes	-	-	57	(122)	-	(65)	-	(65)
Transactions with owners reported directly in equity	-	-	-	29	(1 794)	(1 765)	(786)	(2 551)
Change of holdings in subsidiaries	-	-	-	29	(794)	(765)	(786)	(1 551)
Dividends paid	-	-	-	-	(1 000)	(1 000)	-	(1 000)
Balance on 31 December 2022	8 503	15 910	57	(1 248)	165 938	189 160	27	189 187
Total comprehensive income for the period, incl.	-	-	(140)	(917)	54 166	53 109	13	53 122
Profit for the year	-	-	-	-	54 166	54 166	17	54 183
Other components of comprehensive income, net of taxes	-	-	(140)	(917)	-	(1 057)	(4)	(1 061)
Transactions with owners reported directly in equity	-	-	-	747	(5 161)	(4 414)	(2)	(4 416)
Change of holdings in subsidiaries	-	-	-	747	(3 161)	(2 414)	(2)	(2 416)
Dividends paid	-	-	-	-	(2 000)	(2 000)	-	(2 000)
Balance on 31 December 2023	8 503	15 910	(83)	(1 418)	214 943	237 855	38	237 893

The notes form an integral part of these financial statements. The present financial statements were approved on September 24, 2024.

Executive Director

Executive Director

Preparer

Galin Todorov

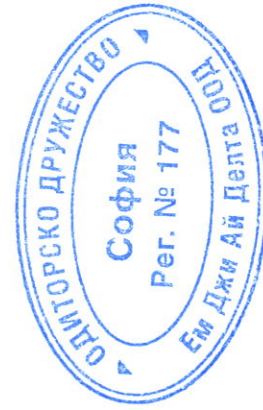
Angel Madzhirov

Vera Slavova

In accordance with the independent auditor's report Audit firm MGI Delta OOD

Vladimir Kolimakov, Manager and registered auditor in charge for the audit

25-11-2024



EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ending December 31, 2023

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

Notes.	2023	2022
Operating activities		
Payments for microloans granted to individuals	(376 851)	(319 769)
Proceeds from repayments of microloans granted to individuals	485 816	418 508
Payments for granted individually significant loans	(42 799)	(48 984)
Proceeds from repayments of granted individually significant loans	29 631	28 875
Payments related to personnel	(109 660)	(97 694)
Receipts from customers	115 951	105 313
Payments to suppliers	(58 292)	(78 086)
Income tax paid	(11 108)	(7 557)
Other (payments)/receipts for operating activities, net	(25 122)	7 480
<i>Net cash flows from operating activities</i>	<u>7 566</u>	<u>8 086</u>
Investing activities		
Investments in subsidiaries	(5 200)	-
Purchases of fixed assets	(2 203)	(1 374)
Acquisitions and disposals of subsidiaries, net of cash received	(135)	-
<i>Net cash flows from investing activity</i>	<u>(7 538)</u>	<u>(1 374)</u>
Financing activities		
Dividends paid	(1 988)	(994)
Proceeds from borrowings	8 233	2 593
Repayments of borrowings, including interest	(3 781)	(5 643)
Payments under lease contracts	(2 408)	(3 766)
Other receipts/(payments) for financing activity, net	429	332
<i>Net cash flows from financing activities</i>	<u>485</u>	<u>(7 478)</u>
Net increase/ (decrease) in cash and cash equivalents	513	(766)
Cash and cash equivalents at the beginning of the year	8 266	8 900
Effect of foreign exchange rate changes	(78)	132
Cash and cash equivalents at the end of the year	9 <u><u>8 701</u></u>	<u><u>8 266</u></u>

The notes form an integral part of these financial statements.

The present financial statements were approved on September 24, 2024.

Executive Director

Galin Todorov

Executive Director

Angel Madzhirov

Preparer

Vera Slavova

In accordance with the independent auditor's report:

Audit firm MGI Delta OOD

Vladimir Kolmakov

Manager and registered auditor in charge for the audit

25-11-2024



EASY ASSET MANAGEMENT AD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ending December 31, 2023

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

1. General information

1.1 Legal status

EASY ASSET MANAGEMENT AD ("the Company") is a joint-stock company established on December 8, 2005, and operating in Bulgaria, EIK 131576434. The Company's headquarters and management address are: Blvd. "Jawaharlal Nehru" № 28, 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 majority owner of the parent company, exercising control, is Management Financial Group AD.

The consolidated financial statements of the Company as of and for the year ending 31 December 2023, comprises the Company and its subsidiaries (see note 24), together referred to as the "Group".

1.2 Subject of activity

The Group's activity is focused on the field of microloan, granting small, unsecured, short-term loans to customers with low or medium incomes. The group carries out its activities through a wide distribution network, which consists of more than 300 offices in the country and abroad.

As of December 31, 2023 the total number of employees on an employment contract of the Group amounts to 3,108 people (as of December 31, 2022: 2,982 people).

As of December 31, 2023, the group's operating results reflect its foreign operations in Romania, Poland, Macedonia, Ukraine, Albania, Mexico and Spain.

2. Accounting policy

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

The consolidated financial statements include: consolidated statement of comprehensive income for the year, consolidated statement of financial position as of December 31, consolidated statement of changes in equity for the year, consolidated 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 Group classifies its expenses according to their nature.

2.1. Basis for preparation of the Consolidated Financial Statement

These consolidated 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 supplementary provisions to the Accounting Act, such as International Accounting Standards (IAS), adopted in accordance with Regulation (EC) 1606/2002 and including International Accounting Standards, International Financial Reporting Standards 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.

The current consolidated annual financial statements of the Group of "Easy Asset Management" AD, in its capacity as an intermediate parent company, constitute an integral part of the consolidated financial statements of

EASY ASSET MANAGEMENT AD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ending December 31, 2023

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

the ultimate parent company, namely "Management Financial Group" AD (Bulgaria), which prepares and publishes consolidated financial statement.

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

The present Consolidated Financial Statements have been prepared on the basis of the going concern principle. At the date of preparation of the Consolidated Financial Statements, management has made an assessment of the Group'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 group presents the statement of its financial position generally by degree of liquidity. An analysis regarding the settlement of liabilities is presented in Note 25.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.

2.1.4 Basis for consolidation

(a) Business combinations

Business combinations are accounted for using the purchase method at the date of acquisition, which is the date control is transferred to the Group. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values at the acquisition date of the assets transferred by the Group, the liabilities assumed by the Group to the former owners of the acquiree and the equity interest issued by The group in exchange for control of acquisitions. Acquisition-related expenses are recognized in profit or loss as incurred.

At the acquisition date, identifiable assets acquired, and liabilities assumed are recognized at their fair value at the acquisition date, except for:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19, respectively
- Liabilities or equity instruments related to share-based payment arrangements on acquisitions are measured in accordance with IFRS 2 at the acquisition date
- Assets (or exemption groups) that are classified as held for sale in accordance with IFRS 5 are valued in accordance with this standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the sum of the non-controlling interests in the acquiree and the fair value of the acquiree's previously held interest in the acquiree (if any) over the net value of the acquisition. If, after revaluation, the acquisition date net value of the identifiable assets acquired and liabilities assumed exceeds the amount of the consideration transferred, the sum of all non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss.

When a business combination is affected in stages, the Group's previous interests (including joint operations) in the acquiree are revalued at their fair value at the acquisition date and the resulting gain or loss, if any, is

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recognized in profit or loss. Amounts arising from interests in acquisitions prior to the acquisition date that were previously recognized in other comprehensive income are reclassified to profit or loss where similar treatment would be appropriate if that interest were sold.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to derive an economic benefit from the business combination. Cash-generating units to which goodwill is allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit proportionately based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. In the year of acquisition of a subsidiary and first reporting of goodwill - The Group does not test for impairment of goodwill, as it considers that, in the absence of the contrary, the carrying amount of goodwill does not deviate from the value at formation. In each subsequent year, the management performs a test for the impairment of the goodwill formed during the acquisition of subsidiaries. For this purpose, it is assumed that each individual company appears as a cash flow generating entity. The Group's management's assessment of goodwill impairment is made through the lens and intent of the future economic benefits the Group expects to receive from these entities.

(b) Non-controlling interest

The non-controlling interest is valued based on its proportionate share of the value of the acquired identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as such. Non-controlling interest adjustments are based on the proportionate value of the subsidiary's net assets. No goodwill adjustments are recognized and no gains or losses are recognized as a result of such transactions, but are reflected directly in equity.

(c) Subsidiaries

Subsidiaries are those companies controlled by the Group. The group controls an entity when it has rights to the variable returns from its interest in the entity and has the ability to influence those returns through its powers.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is established until the date of its termination.

(d) Loss of control

Upon loss of control, the Group writes off the subsidiary's assets and liabilities, non-controlling interest and other equity components related to the entity. The gain or loss arising from the loss of control is recognized in profit and loss. If the Group retains an interest in a former subsidiary, that interest is measured at fair value at the date of loss of control. Subsequently, this investment is accounted for using the equity method or as an available-for-sale financial asset depending on the level of influence retained.

(e) Transactions, eliminated on consolidation

Intragroup revenues, expenses, estimates and transactions and all unrealized revenues and expenses arising from intragroup transactions are eliminated in the preparation of the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no evidence of impairment.

2.1.5 Changes in accounting policy and errors

The Group 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.

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The Group retroactively corrects material errors from prior periods by restating the comparative amounts for the prior period presented in which the error occurred.

(a) Prior period error

In 2023, a prior period error concerning FY2020, FY2021, and FY2022, was identified - the parent company had been sending to the subsidiary Financial Bulgaria EOOD (in its role as a guarantee company under contracts for microloans granted by the parent company) unfounded requests for payment of sums of money owed by micro loan borrowers. After payment of the sums of money, the parent company ceded the loans to Financial Bulgaria EOOD.

The parent company 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 for the previous reporting periods. The correction has had an impact on the financial results for FY2020, FY2021, and FY2022.

Effect of the restatement on the Consolidated Statement of Comprehensive Income

<u>For FY2022</u>	Reported before	Restatement	Restated
Other operating income, net	20 601	(2 202)	18 399
Impairment loss of financial assets	(63 464)	1 912	(61 552)
Profit before tax	29 953	(290)	29 663
Income tax expense	(5 169)	29	(5 140)
Profit for the year	24 784	(261)	24 523
Total comprehensive income for the year	24 719	(261)	24 458

Effect of the restatement in the Consolidated Statement of Financial Position

<u>As of December 31, 2022</u>	Reported before	Restatement	Restated
Cash and cash equivalents	8 215	51	8 266
Other assets	14 096	(183)	13 913
Total assets	277 283	(132)	277 151
Borrowings	47 207	61	47 268
Trade and other payables	33 620	280	33 900
Income tax liabilities	2 133	176	2 309
Total liabilities	87 447	517	87 964
Retained earnings	166 587	(649)	165 938
<i>Equity attributable to owners of the parent company</i>	<i>189 809</i>	<i>(649)</i>	<i>189 160</i>
Total equity	189 836	(649)	189 187
Total equity and liabilities	277 283	(132)	277 151

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<u>As of January 1, 2022</u>	<u>Reported before</u>	<u>Restatement</u>	<u>Restated</u>
Other assets	13 667	(419)	13 248
Total assets	251 800	(419)	251 381
Corporate tax liabilities	1 531	(42)	1 489
Total liabilities	84 143	(42)	84 101
Retained earnings	143 927	(377)	143 550
<i>Equity attributable to owners of the parent company</i>	<i>167 185</i>	<i>(377)</i>	<i>166 808</i>
Total equity	167 657	(377)	167 280
Total equity and liabilities	251 800	(419)	251 381

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

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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 group 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 Group'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

The consolidated financial statement is presented in thousands. Bulgarian leva, which is the functional and presentation currency.

The functional currency of the Group's companies in Bulgaria and the reporting currency of the Group's presentation is the Bulgarian lev. According to the BNB Law, the lev is fixed to the euro at a ratio of BGN 1.95583:EUR 1.

The effects of foreign exchange differences relating to the settlement of foreign currency transactions or the reporting of foreign currency commercial transactions at rates different from those at which they were originally recognized are included in the consolidated statement of comprehensive income at the time of their occurrence, being treated as "other income/(losses) from the activity" and presented net.

For the purposes of each consolidated financial statement, a recalculation of the currency of the financial statements of subsidiaries abroad is carried out: from the functional currency of the relevant foreign subsidiary to the presentation currency (BGN) adopted in the consolidated financial statement, as:

- a) all assets and liabilities are recalculated in the group currency at the closing rate of the local currency relative to it on December 31 or on the date of the release of the company;
- b) all revenue and expense items are recalculated in the group currency at the average rate of the local currency relative to it for the reporting period;
- c) all resulting exchange rate differences as a result of recalculations are recognized and presented as a separate component of equity in the consolidated statement of financial position - "revaluation reserve", and
- d) exchange rate differences obtained as a result of the currency translation of the net investment in the overseas (foreign) companies, together with the loans and other foreign currency instruments adopted to hedge these investments, are presented directly in the equity.

Upon disposal (sale) of a foreign operation (and/or company), the cumulative amount of exchange rate differences, which were accounted for directly as a separate component in capital, are recognized as part of the profit or loss in the consolidated statement of comprehensive income in the line "profits / (losses) from acquisition of and disposal of subsidiaries, net", received on disposal (sale).

Goodwill and fair value adjustments arising from the acquisition of an overseas (foreign) company are treated analogously to the assets and liabilities of that company and are recalculated in the presentation currency at the closing exchange rate.

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The individual elements of the Group's financial statements are valued in the currency of the main economic environment in which the enterprise operates ("functional currency"). The consolidated 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.

The functional currency of the companies in Romania, Poland, Ukraine, Macedonia and Albania are respectively:

Currency	2023		2022	
	Average exchange rate	Closing exchange rate	Average exchange rate	Closing exchange rate
RON	0,39538	0.39308	0,39733	0,39532
PLN	0.43061	0.45070	0,41763	0,41784
UAH	0.04944	0.04634	0,05001	0,04961
MKD	0.03181	0.03180	0,03172	0,03223
USD	1.80876	1.76998	1,86151	1,83371
ALK	0.01798	0.01883	0,01712	0,01712

2.3. Recognition of revenue and expenses

Interest revenue and interest expenses

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 revenue and expenses are reported as "interest revenue" 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 revenue 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.

When calculating the effective interest rate, the Group estimates cash flows that take into account all contractual terms of the financial instrument (e.g. 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.

Revenue from and expenses for fees and commissions

Revenues from fees and commissions are accrued at the time the service is provided. Fees received for providing services for a specified period of time are accrued within that period of time. Revenues from fees for granted guarantees are recognized according to the validity period of the issued guarantee to the crediting company. Fees for loan liabilities 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

Revenue from penalties and in the event of non-fulfillment of the contractual liabilities of the 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 revenue on the date of early repayment.

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Revenue from ceded receivables

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

Programs for loyalty of clients

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 credits 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 revenue for the period.

Dividend revenues

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

Revenue from valuation of investments in enterprises / capital instruments /

The Group accounts for its interests in other entities at fair value through profit and loss. To the extent that these valuations are material to the financial statements and to the Group as a whole, management has decided to report net gain/loss from the valuations of these financial instruments separately in a separate line item in the income statement on the face of the Statement of Comprehensive Income.

Revenue from contracts with customers

The Group 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 obligation.

To determine whether and how to recognize revenue, the Group uses the following 5 steps:

1. Identification of the contract with a customer
2. Identification of performance obligations
3. Determining the transaction price
4. Allocation of the transaction price to the 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 Group 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 remainder of the principal.

Financial assets in the category Assessed at amortized cost constitute debt instruments (loans granted) whose business model is held to collect cash flows. The business model may be such that the assets are held to collect the contractual cash flows even if the Group sells the financial assets when there is an increase in the credit risk

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of the asset. In order to determine whether there is an increase in the credit risk of the assets, the Group takes into account all reasonable and substantiated information, including forecast information. 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 Group's ability to collect contractual cash flows. The business model used by the Group in relation to loans granted is "held for collection". The Group 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, the purpose of which is the collection of the contractual cash flows and sale, 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 Group recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to a contract of a financial instrument. When the Group 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 Group 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 Group had not acquired, issued or sold a 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 carried 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 evaluation

After initial recognition, the Group measures the financial instrument by:

- amortized 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 upon initial recognition
- less payments per head
- plus/minus cumulative depreciation using the effective interest method for the differences between the original value and the maturity value adjusted for impairment losses.

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When applying the effective interest rate method, the Group 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 revenue or expense upon initial recognition of the instrument.

Fair value evaluation

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 Group complies with IFRS 13, which defines a fair value hierarchy that categorizes into three levels the inputs of the valuation methods used to measure 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.

Impairment

At each reporting date, the Group assesses the impairment loss for a 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 Group assesses the impairment loss for the given financial instrument at a value equal to the expected credit losses for 12 months. If the Group has assessed the impairment loss for a financial instrument at a value that is equal to the expected credit losses for the life of the instrument in previous reporting periods, but in the current reporting period determines that the requirements for expected credit losses for the life of the instrument no longer are met, the Group measures the impairment loss at a value equal to the expected credit losses for 12 months as of the current reporting period. The Group 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 (stage 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 stage 1 on the original date. Financial instruments with a maturity of less than 12 months are allocated to stage 1 or stage 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 - stage 1.

In accordance with the general approach, the criterion for transferring from one stage to another stage 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 stage 2 improves and there is no longer a significant increase in credit risk since initial recognition, then the asset is allocated to stage 1.

The criterion for recognizing an impairment loss equal to the expected credit losses for 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 Group 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.

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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 Group measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

To determine the credit risk of individually significant loans granted, the Group's management has developed a methodology that includes two main components: determining the debtor's credit rating, and statistical models for calculating marginal PDs 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 (e.g. sales levels) and qualitative (e.g. 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 Group considers that a given financial instrument has experienced a significant increase in credit risk when:

(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 loan 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 operational indicators.

(b) *Qualitative criteria:*

- Significant adverse changes in business, financial and/or economic conditions in which the debtor operates;
- Actual or expected 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 Group's management.

The Group designates 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 loan period could reach up to or over 2 years due to the financial specifics of the debtor;
- Occurred or imminent significant adverse changes and events in the debtor's business, financial conditions and business environment, measured through a serious decline in the debtor's main financial and operational indicators;
- The debtor reports a series of losses and negative net assets;

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(b) *Qualitative 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 applied consistently to model probability of default (PD), exposure given default (EAD) and loss given default (LGD) throughout the Group'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 obligation 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 forecast 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 Group to assess the credit risk associated with receivables from individually significant loans granted is as follows

Category	Description	Basis of recognition of expected credit losses
Performing (Stage 1)	The debtor has a low risk of default and no overdue payments.	12-month expected credit losses
Doubtful (Stage 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 (Stage 3)	Amounts due more than 2 years past due or have evidence that the asset is impaired	Expected credit losses for the life of the assets

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 depreciation process using the effective interest method.

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Loans from P2P investors

The group has signed cooperation agreements with an operator of a peer-to-peer (P2P) investment internet platform regulated according to the legal framework of the Republic of Estonia. The goal 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 on granted microloans to individuals) issued by Group companies in exchange for an upfront payment. These rights are established through transfer agreements between the investors and the P2P platform, which acts as an agent on behalf of the relevant 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 relevant company must pay the investor the pro rata share of the funding raised for each debt instrument according to the terms of the individual agreement with the customer of the relevant company.

Transfer agreements are agreements (assignments) with the right of recourse, which require the relevant 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 customer of the relevant company (repurchase guarantee). Transfers with rights of recourse provide direct recourse to the relevant entity, thus not qualifying as pass-through arrangements under IFRS 9. In particular, neither the investors nor the P2P platform bear any credit risks of the client of the respective company. In practice, the relevant company retains the risks and rewards of ownership of the financial asset. Therefore, these debt instruments of the relevant company do not meet the conditions for consideration for a partial write-off, therefore the relevant 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 Borrowings.

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 revenue/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 line Interest expense of the consolidated 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 Group 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. Financial guarantees contracts

Contracts for financial guarantees are such contracts that oblige the issuer of the guarantee to indemnify the person in whose favor it was issued, as a result of non-fulfillment by a third party - debtor, of assumed liabilities that were guaranteed. The initial accounting of financial guarantees is carried out at fair value, assuming that the fair value at the time of issuance of the guarantee is the fee collected for its issuance. Claims for future premiums are not recognized. Revenue from guarantees is amortized on a straight-line basis over the period to which it relates. Subsequently, the Group's liabilities under financial guarantees are reported at the higher of the initially recognized value, less the corresponding depreciation and the provision that would have to be charged in order for the Group to cover its liabilities under the contract arising at the reporting date. Expected credit losses related to issued financial guarantees are reflected in the statement of comprehensive income in the item Credit losses on off-balance sheet commitments - portfolio guarantees. The probability that the Group will incur a payment obligation under such contracts is estimated based on historical experience with similar instruments.

At the end of each reporting period, the Group reviews its contingent liabilities to determine whether events have occurred that indicate it is more likely than not that the Group will run out of resources to settle the obligation. In the event of events occurring, the Group provides for its liability up to the value of its future expenses (losses) related to the outflow of payments.

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Provisions for expected credit losses under issued portfolio guarantees

These expenses (losses) are determined based on the present value of future net cash flows, representing the difference between the obligation to pay and any inflows from subsequent recourse claims to third parties.

By applying a model for calculating expected credit losses based on IFRS 9, the Group calculates the expected losses of the financial instruments in the guaranteed portfolios.

The model for determining expected credit losses is based on the following principles:

- making an unbiased assessment by probabilistic weighting of a set of possible outcomes;
- reflecting the value of money over time;
- using relevant and supporting information about past and current events, as well as forecasts of future events, that is available at the reporting date without incurring excessive cost or effort;
- basing a current assessment on the credit risk of counterparties;

According to the requirements of IFRS 9, financial instruments are divided into three stages - Stage 1, Stage 2 and Stage 3. The distribution is made on the basis of an assessment of the change in the credit quality of the counterparties compared to their initial approval.

Below are the stages and their characteristics:

Stage 1 - Regular - includes guaranteed loans without a significant increase in credit risk after initial recognition. The impairment of these loans is based on the probability of default by the obligor in the next 12 months or in a shorter period if the life of the instrument is shorter than one year;

Stage 2 - Monitored - includes guaranteed loans with a significant increase in credit risk after initial recognition. Such an increase is supposed to occur if the guaranteed loan is overdue for more than 30 days; the debtor is placed under surveillance; the obligor's credit rating has deteriorated at the reporting date compared to its rating at the date the instrument was recognized or the loan is expected to be restructured. In this case, expected credit losses are calculated for the entire life of the loan;

Stage 3 - Non-performing - includes guaranteed loans for which there is objective evidence that they are impaired, such as guaranteed loans in default. The Group has defined specific criteria by which a guarantee is determined to be in default. Expected credit losses for these instruments are also calculated over their lifetime.

The principle rules for the distribution of exposures by stage are as follows:

- *Quantitative factor* - if the Group has made a payment under an off-balance sheet obligation and the same is transformed into an off-balance sheet, the exposure is classified in Stage 3; a guaranteed loan may be classified as in default if the lending company has provided information on classifying the asset/counterparty as in default, or upon inspection by the Company, an increased risk of default has been identified.
- *Quality factors*:
 - Absolute Threshold - going below a certain awarded internal rating or accepted external rating is considered grounds for classification in Stage 2 or Stage 3;
 - Relative threshold - if there is a significant deterioration in the credit quality of a counterparty compared to the level at initial approval of the exposure above a defined relative threshold, it should be considered grounds for classification in Stage 2 or Stage 3.

2.6. Cash and cash equivalents

Cash and cash equivalents, shown in the statement of cash flows include cash on hand, checking accounts and bank deposits with an initial maturity of no less than three months.

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2.7. 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 expenses, initial delivery and handling expenses, installation expenses, project-related fees expenses, 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 Group 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 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 compared to 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

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the date of sale. They are stated net, in "Other operating income" to the consolidated statement of comprehensive income.

2.8. Intangible assets

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

The Group applies the straight-line method of depreciation 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 consolidated statement of comprehensive income (in profit or loss for the year).

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 Group 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 recognized initially in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of the losses of a joint venture exceeds the Group's share of that joint venture, the Group derecognizes its share of further losses. Additional losses are recognized only to the extent that the Group has assumed legal or constructive obligations or made payments on behalf of the joint venture.

If there is objective evidence that the Group'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 Group'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 parties' commitment to the basic terms of the lease, the Group analyzes and assesses whether a given contract constitutes 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.

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Lessee

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

The Group has not benefited from 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 leases of one or more lease and non-lease components, the Group applies a policy of allocating the 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 Group recognizes in the consolidated statement of financial position a "right-of-use" asset on the date of commencement of the leasing contracts, i.e. the date on which the underlying asset is available for use by the Group.

Right-of-use assets are presented in the consolidated 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 lease liabilities;
- lease payments made on or before the start date, reduced by incentives received under lease contracts;
- the initial direct expenses incurred by the Group as a lessee;
- restoration expenses that the Group 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 Group depreciates 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 Group 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 consolidated statement of financial position, and their depreciation under General administrative and other operating expenses in the consolidated statement of comprehensive income.

b) lease liabilities

The Group recognizes lease liabilities at 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 Group will exercise this option;

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- payments of penalties for termination of lease contracts, if the term of the lease contract reflects the exercise of an option to terminate the contract by the lessee Group;
- the amounts the Group 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 Group 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 obligation (principal). Lease interest expense is presented in the statement of comprehensive income (in profit or loss for the year) of the Group over the lease term 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 consolidated statement of financial position: "Lease liabilities".

The Group subsequently assesses the lease liability as:

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

The Group reassesses its lease liabilities (in which case 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 has led to a change in the valuation of the purchase option, whereby the adjusted lease liabilities are recalculated with 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 when the change in lease payments results from a change in floating interest rates, in this case an adjusted discount rate is used that reflects interest rate changes);
- the lease is amended and this 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 as of the effective date of the amendment.

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

The Group 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 Group considers to be of low value as new and used independently in the Group without being dependent and closely related to other assets.

Payments in respect of 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 term of the lease.

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2.11. Income tax

Current income taxes

Current taxes on the Group'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%).

Subsidiaries and joint ventures abroad are taxed in accordance with the requirements of the relevant tax laws by country at the following tax rates:

Country	Tax rate	
	2022	2023
Romania	16%	16%
Poland	9%/19%	9%/19%
Ukraine	18%	18%
North Macedonia	10%	10%
Spain	-	25%/23%
Croatia	18%	18%

Deferred income taxes

Indicated 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 that sufficient taxable profit will be generated in the future or that taxable temporary differences will arise from which the deduct these deductible differences, except for differences arising from the recognition of an asset or liability that did not affect accounting or tax profit (loss) on the date of surgery.

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 during 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 Group's deferred tax assets and liabilities are assessed at a rate of 10% (December 31, 2022: 10%) for companies in Bulgaria and at a rate between 10% and 24% for companies abroad.

2.12. Employee Benefits

Short term income

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

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The Group recognizes the estimated undiscounted amount of short-term personnel benefits as an expense in the period in which the personnel have 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 staff earnings 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 Group's long-term employee benefit liabilities, other than pension plans, represent future benefits payable to employees in return for services rendered to the Group in the current or previous periods that are not due in full within 12 months from completion of service.

The group has an established plan for supplementary 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 Group 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 in the Group for the last 10 years, the amount of compensation amounts to six months' amount of his gross remuneration.

2.13. Share-based payments

The Group's personnel receive share-based remuneration, with employees providing services in return for remuneration 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 up to the vesting date reflects the extent to which the vesting period has expired and the Group's best judgment as to the number of equity instruments that will ultimately rights are acquired. The cost is stated as "Personnel Cost". In cases where the terms of share-based payments are amended, the minimum costs recognized in Personnel Expenses are the costs 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 initially measured at fair value using a pricing model, taking into account the terms under which the instruments are granted. This fair value is expensed 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.

2.14. Own shares repurchased and contracts for own shares

Own capital instruments of the parent company that are acquired by it or its subsidiaries (the Group's own shares) are deducted from the capital, being accounted for at a weighted average cost of acquisition. The consideration paid or received for the purchase, sale, issue or cancellation of the Group'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 treasury shares that require net cash settlement or provide an option to settle while maintaining the value of the contractual obligation leading to a change in the number of shares when their fair value changes are classified as financial liabilities.

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2.15. 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, revenue 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
- Expected credit losses under issued portfolio guarantees – note 2.5
- Valuation of "right-of-use" assets and liabilities under lease agreements - note 2.8
- Recognition of deferred tax assets – note 2.9
- Determination of fair value – note 2.4

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3. Net income from interest, fees, and penalties

	2023	2022
Interest income	150 080	129 401
Fees income	93 083	90 467
Penalties income	9 082	8 809
Interest, fees, and penalties income	252 245	228 677
Interest expenses on bank loans	(888)	(1 106)
Interest expenses on loans from related parties	(280)	(203)
Interest expenses on trade loans	(3)	-
Interest expenses on leases	(651)	(232)
Interest expenses on loans from P2P platforms	(3 035)	(2 456)
Expenses for fees and commissions	(772)	(627)
Interest and fees expenses	(5 629)	(4 624)
Net income from interest, fees and penalties	246 616	224 053

4. Other operating income, net

	2023	2022 (restated)
<i>Revenue from disposal of property, plant and equipment</i>	60	430
<i>Cost of disposed property, plant and equipment</i>	(16)	(392)
Gain on disposal of property, plant and equipment	44	38
<i>Revenue from foreign exchange operations and revaluations</i>	7 777	2 151
<i>Expenses of foreign exchange operations and revaluations</i>	(4 887)	(3 808)
Gain/(loss) from foreign exchange transactions and revaluations	2 890	(1 657)
Gain/(loss) on ceded receivables, net	(9 434)	5 654
Revenue from provided services	36 639	14 297
Other operating income	532	67
	30 671	18 399

Revenues from services that the Group provides include receivables guarantee services, medical service packages and payment services.

5. Impairment loss of financial assets

	2023	2022 (restated)
Impairment loss of granted microloans	(35 002)	(39 921)
Loss generated in connection with guaranteeing the receivables in the microloan portfolio	(11 316)	(18 454)
(Loss from impairment) / Gain from reintegrated impairment of individually significant loans granted, net	2 524	(3 177)
	(43 794)	(61 552)

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6. Net gain / (loss) from changes in the fair value of financial assets recognized through profit or loss

	<u>2023</u>	<u>2022</u>
Net gain / (loss) from changes in the fair value of financial assets	59	-
	<u>59</u>	<u>-</u>

7. Personnel expenses

	<u>2023</u>	<u>2022</u>
Salaries and benefits	(104 457)	(90 355)
Social security	(12 627)	(11 416)
	<u>(117 084)</u>	<u>(101 771)</u>

8. General administrative and other operating expenses

	<u>2023</u>	<u>2022</u>
Advertising and marketing	(8 688)	(10 317)
Depreciation	(7 109)	(5 731)
Transport, courier and business trips	(5 729)	(5 449)
Consulting, legal services	(3 926)	(3 479)
Leasing of assets	(3 343)	(3 380)
Telecommunication and postal expenses	(2 455)	(2 231)
Consumables, including electrical energy	(2 074)	(2 627)
Representative and unrelated to the activity	(1 687)	(1 090)
Expense for materials	(1 340)	(1 137)
Repair and technical support	(1 131)	(587)
Social expenses	(735)	(744)
Insurances	(648)	(624)
Office security	(352)	(287)
Audit services	(218)	(132)
Other operating expenses	(13 763)	(11 679)
	<u>(53 198)</u>	<u>(49 494)</u>

The amounts charged for 2023 for the services provided by the registered auditors for an independent financial audit of the individual and consolidated financial statements of the parent company are in the amount of 35 thousand. BGN (For 2022: BGN 31 thousand). The registered auditors have not provided any other services to the parent company, beyond an independent financial audit.

On the line Other operating expenses, in the amount of 13,763 thousand. BGN, the Group presents the following main expenses:

- 3,147 thousand BGN - monthly card service fee
- 1,686 thousand BGN - expenses related to credit registers
- 1,642 thousand BGN - commissions on mediation contracts related to card and credit business

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9. Cash and cash equivalents

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

	31 December 2023	31 December 2022 <i>(restated)</i>
Cash in bank accounts	6 449	6 321
Cash in cash	2 190	1 764
Cash in transit	62	181
	8 701	8 266

Cash and cash equivalents represent amounts denominated in Bulgarian leva.

Cash is non-interest-bearing, while cash in bank accounts is interest-bearing at a floating rate. During the year ending on 31.12.2023 no impairment loss was recognized on the amount of cash in bank accounts based on the credit rating of the relevant financial institution.

10. Microloans granted to individuals

	31 December 2023	31 December 2022
Receivables from customers for microloans granted, gross	252 942	219 950
Receivables from customers under granted guarantees, gross	17 877	18 658
Expected credit loss	(99 840)	(103 351)
Microloans granted, net	170 979	135 257
<i>Current</i>	170 979	135 257
<i>Collateral</i>		

The Group has provided its receivables from customers as collateral for its liabilities to banking financial institutions disclosed in explanatory note 17. Borrowings.

11. Individually significant loans granted

	31 December 2023	31 December 2022
Granted trade loans to related parties, incl. accrued interest	127 828	112 922
Expected credit loss	(3 942)	(6 466)
Individually significant loans granted, net	123 886	106 456
<i>Current</i>	352	-
<i>Non-current</i>	123 534	106 456

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

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

	2023	2022
Balances as of 01 January	(6 466)	(3 289)
Impairment loss for the year	-	(3 177)
Reintegrated impairments during the year	2 524	-
Balance as of 31 December	(3 942)	(6 466)

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12. Property, plant and equipment

	Computers	Lands, buildings, equipment, office furniture and others	Total
Acquisition cost			
As of 01.01.2022	2 591	4 635	7 226
Additions	501	534	1 035
Disposals	(535)	(470)	(1 005)
As of 31.12.2022	2 557	4 699	7 256
Additions	497	1 453	1 950
Disposals	(61)	(230)	(291)
As of 31.12.2023	2 993	5 922	8 915
Accumulated depreciation			
As of 01.01.2022	(2 087)	(3 025)	(5 112)
Depreciation charge	(423)	(680)	(1 103)
Eliminated on disposals	501	366	867
As of 31.12.2022	(2 009)	(3 339)	(5 348)
Depreciation charge	(453)	(1 316)	(1 769)
Eliminated on disposals	62	102	164
As of 31.12.2023	(2 400)	(4 553)	(6 953)
Carrying amount			
As of 31.12.2023	593	1 369	1 962
As of 31.12.2022	548	1 360	1 908
As of 01.01.2022	504	1 610	2 114

As of 31.12.2023 the balance sheet value of other assets indicated in the column Lands, buildings, equipment, office furniture and others amounts to BGN 255 thousand.

Collateral and pledges

As of 31.12.2023 there are no established encumbrances on the Group's tangible fixed assets in connection with received loans or other transactions.

Periodic revaluation at fair value

In order to determine the fair value of the assets in accordance with the requirements of IFRS 13 and IAS 16, as of 31.12.2023. The Group's management has performed a revaluation test of property, plant and equipment.

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13. Intangible assets

	Software	Under development	Total
Acquisition cost			
As of 01.01.2022	5 301	879	6 180
Additions	1 264	813	2 077
Disposals	(2 042)	(461)	(2 503)
As of 31.12.2022	4 523	1 231	5 754
Additions	1 908	986	2 894
Disposals	(10)	(716)	(726)
As of 31.12.2023	6 421	1 501	7 922
Accumulated depreciation			
As of 01.01.2022	(3 617)	-	(3 617)
Depreciation charge	(1 011)	-	(1 011)
Eliminated on disposals	1 053	-	1 053
As of 31.12.2022	(3 575)	-	(3 575)
Depreciation charge	(338)	-	(338)
Eliminated on disposals	4	-	4
As of 31.12.2023	(3 909)	-	(3 909)
Carrying amount			
As of 31.12.2023	2 512	1 501	4 013
As of 31.12.2022	948	1 231	2 179
As of 01.01.2022	1 684	879	2 563

14. Right-of-use assets

	Offices and vehicles	Total
Acquisition cost		
As of 01.01.2022	6 669	6 669
Additions	5 330	5 330
Disposals	(1 545)	(1 545)
As of 31.12.2022	10 454	10 454
Additions	17 252	17 252
Disposals	(7 838)	(7 838)
As of 31.12.2023	19 868	19 868
Accumulated depreciation		
As of 01.01.2022	(4 134)	(4 134)
Depreciation charge	(3 617)	(3 617)
Eliminated on disposals	1 012	1 012
As of 31.12.2022	(6 739)	(6 739)
Depreciation charge	(7 708)	(7 708)
Eliminated on disposals	5 738	5 738
As of 31.12.2023	(8 709)	(8 709)

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	Offices and vehicles	Total
Carrying amount		
As of 31.12.2023	11 159	11 159
As of 31.12.2022	3 715	3 715
As of 01.01.2022	2 535	2 535
<i>Amounts recognized in profit and loss</i>	2023	2022
Right-of-use asset depreciation expense	(5 313)	(3 617)
Interest expense on the lease liability	(427)	(183)

15. Other assets

	31 December 2023	31 December 2022 (restated)
Inventory	72	60
Advances paid	1 877	2 024
Trade and other receivables	15 701	11 829
Total. Incl.:	17 650	13 913
<i>Current</i>	<i>17 650</i>	<i>13 913</i>

As of 31.12.2023 respectively Trade and other receivables in the amount of BGN 15,078 thousand. The group presents:

- ✓ BGN 10 997 thousand mainly related to guarantee receivables, settlement receivables and other receivables;
- ✓ BGN 4,081 thousand trade receivables and cession receivables from related parties outside the EAM Group, details of which are disclosed in explanatory appendix 25.3. to this consolidated financial statement.

16. Deferred tax assets

As deferred tax assets under IAS 12 Income Taxes, the Group 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	Other	Total
As of January 01, 2022	1 596	148	2 796	4 540
(Expense)/revenue on the statement of comprehensive income	(1 481)	(12)	1 673	180
As of January 01, 2023	115	136	4 469	4 720
(Expense)/revenue on the statement of comprehensive income	(64)	(10)	(2 068)	(1 994)
As of December 31, 2023	179	146	2 401	2 726

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17. Borrowings

	Average interest rate	Term	31 December 2023	31 December 2022 (restated)
Bank loans	7%	2025	9 836	11 397
Loans from related parties	12%	2026	12 972	11 400
Loans from P2P investors	10%	2025	27 867	24 301
Another creditor	2%	2025	170	170
Total, including:			50 845	47 268
<i>Current</i>			<i>39 152</i>	<i>35 698</i>
<i>Non-current</i>			<i>11 693</i>	<i>11 570</i>

18. Lease liabilities

During the reporting period, the Group was a party to numerous lease agreements as an office tenant.

<i>Maturity structure of the lease obligation</i>	31 December 2023	31 December 2022
Short term part	2 308	163
Long term part	9 513	4 324
	11 821	4 487

19. Trade and other payables

	Notes	31 December 2023	31 December 2022 (restated)
Payables to suppliers		12 387	8 632
Personnel and social security liabilities	19.1	13 703	11 820
Provisions for guarantees given		3 649	2 175
Tax liabilities other than corporation tax		1 253	742
Liabilities under contracts for the assignment of overdue loans		-	280
Other duties		9 359	10 251
Trade and other payables, including:		40 351	33 900
<i>Current</i>		<i>39 557</i>	<i>33 329</i>
<i>Non-current</i>		<i>794</i>	<i>571</i>

19.1. Personnel and social security liabilities

	31 December 2023	31 December 2022
Duties to the staff, including:	10 610	9 372
Current remuneration liabilities	7 280	6 569
Current liabilities for unused leave	2 536	2 232
Long-term liabilities to personnel on retirement	794	571
Social security liabilities, including:	3 093	2 448
Current liabilities	3 093	2 448
Total	13 703	11 820

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20. Share 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 amount of share capital of BGN 8,503,000. BGN as of December 31, 2023 The majority owner of the Group is Management Financial Group AD with 88.42%, and the remaining shares are owned by individuals.

21. Reserves

21.1. Legal reserves

The legal reserves are formed from profits distributed from the Parent company into the legal reserves, as required by the Commercial Law. During the reporting year ending on December 31, 2023, the amount of legal reserves of the Parent Company did not change compared to the previous year and amounted to BGN 15,910 thousand.

	<u>2023</u>	<u>2022</u>
Balance as of 01 January	15 910	15 910
Allocation of profit to reserves	-	-
Balance as of 31 December	15 910	15 910

21.2. Foreign exchange reserve

	<u>2023</u>	<u>2022</u>
Balance as of 01 January	(1 248)	(1 155)
Foreign exchange differences on translation of foreign operations	(170)	(93)
Balance as of 31 December	(1 418)	(1 248)

22. Retained earnings

	<u>2023</u>	<u>2022</u>
Balance as of 01 January	165 938	143 927
Changes in opening balances due to restatements of prior period error	-	(377)
Restated Balance as of 01 January	-	143 550
Profit for the year	54 166	24 182
Change of holdings in subsidiaries	(3 161)	(794)
Dividends paid	(2 000)	(1 000)
	214 943	165 938

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23. Changes in liabilities resulting from financing activities

	01.01.2023	Cash flows from financing activities	Changes of a non-monetary nature	31.12.2023
Borrowings	47 268	4 442	(865)	50 845
Lease liabilities	4 487	(2 408)	9 742	11 821
	51 755	2 034	8 877	62 666

	01.01.2022	Cash flows from financing activities	Changes of a non-monetary nature	31.12.2022
Borrowings	46 137	(3 040)	4 171	47 268
Lease liabilities	6 122	(3 766)	2 131	4 487
	52 259	(6 806)	6 302	51 755

24. Subsidiaries

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

The Group owns 100% (99.999938%) of SC Easy Asset Management IFN AD, Romania ("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 861 thousand BGN (equivalent to 440 thousand euros). 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 reaches BGN 5,770 thousand, equivalent to BGN 2,950 thousand. euro (13,722 thousand lei). The group consolidates the company.

The Group owns 100% of Ai Credit SP.Z.O.O., Poland ("Subsidiary"), established in 2014. The Subsidiary is registered in accordance with Polish legislation and regulatory requirements. The value of the registered capital of the Subsidiary is 2 thousand. BGN (equivalent to 5 thousand zlotys) 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 group consolidated the company.

The group 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 1,000 thousand. BGN 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 in the amount of 14,900 thousand BGN The group consolidated the company.

The Group owns 100% of Financial Company M Kesh 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 800 thousand. euro. The group consolidates the company.

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In 2020, the Group 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 5 thousand. BGN, and with a non-monetary contribution (capitalization of a granted loan) the capital reaches BGN 13,405 thousand. BGN The group consolidates the company.

The Group owns 100% of Easy Credit LLC, Ukraine ("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 is 6,922 Ukrainian hryvnias, which at the date of capital registration was equivalent to 800 thousand. EUR or 1,565 thousand BGN As of 31.12.2022 the capital is equivalent to 14,970 thousand BGN The group consolidates the company.

In 2021, Easy Asset Management AD entered the Albanian market with its subsidiary Easy Asset Management LLC. 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 Group. The group consolidates the company. In April 2024 its liquidation has been started.

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 46 thousand. BGN The group does not consolidate 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 3 thousand. euro (equivalent to BGN 6 thousand) and is 100% owned by the Group. The group consolidates the company.

The Group owns 98% of A.D.P.K Easy Individual Solutions F.D.M.D., Mexico ("Subsidiary"), established on 29.07.2019. The Subsidiary is registered under the laws of Mexico. The value of the registered capital is 402 thousand. Mexican pesos (equivalent to BGN 37,000) as of the date of establishment. In 2022, the Subsidiary did not carry out any commercial activity. The subsidiary is not included in the consolidated financial statements of the Group as of and for the year ending 31 December 2022. because it is immaterial to the financial position, financial results and cash flows of the Group for the year then ended. The decision to consolidate the Subsidiary is reviewed at each reporting date.

The Group owns 98% of Easy Asset Management Asia Microfinance, Myanmar ("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 200 thousand. dollars, equivalent to 345 thousand BGN at the date of incorporation. Since 2019, it has not carried out commercial activity and its liquidation has been started. The subsidiary was liquidated in January 2023.

Investments in non-consolidated subsidiaries are presented in "Other assets" in the consolidated statement of financial position.

24.1 Non-controlling interest

	2023	2022 <i>(restated)</i>
Balance as of 01 January	27	472
Profit / (loss) for the year	17	341
Other components of comprehensive income	(4)	-
Increase/ (decrease) in holdings in subsidiaries	(2)	(786)
Balance as of 31 December	38	27

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25. Financial risk management

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

The Group'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 group 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 Group. The risks that arise in relation to financial instruments to which the Group 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-fulfillment of the obligations of the Group's customers, suppliers and creditors. Credit risk is primarily related to the guarantee services provided to the Group's clients.

The Group'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 controls for credit risk 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 Group 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 Group'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.

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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 obligations 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 an event of default, 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.

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 that the Group 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 Group manages credit risk by setting limits related to single customer, office and other categories of portfolio diversification. Credit risk exposure is managed through regular age analysis of fee receivables under guarantees granted, 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 held by the Group, the maximum exposure to credit risk is best represented by their carrying amount as follows:

	<i>Maximum exposition</i>	
	31 December 2023	31 December 2022 (restatement)
Cash and cash equivalents	8 701	8 266
Microcredits granted	170 979	135 257
Individually significant loans granted	123 886	106 456
Other assets	17 650	13 913
	321 216	263 892

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

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

Receivables, gross

As of 31 December 2023

	Stage 1	Stage 2	Stage 3	Total
Performing	18 355	-	-	18 355
Up to 30 days past due	55 441	1 822	-	57 263
31 - 90 past due	-	13 415	432	13 847
Over 90 days past due	-	3 683	177 671	181 354
Total	73 796	18 920	178 103	270 819

Receivables, gross

As of 31 December 2022

	Stage 1	Stage 2	Stage 3	Total
Performing	10 636	-	11	10 647
Up to 30 days past due	40 963	1 253	7	42 223
31 - 90 past due	-	13 083	964	14 047
Over 90 days past due	-	97	171 594	171 691
Total	51 599	14 433	172 576	238 608

As of 31 December 2023

	Stage 1	Stage 2	Stage 3	Total
Receivables, gross	73 796	18 920	178 103	270 819
Impairment	(5 186)	(7 796)	(86 858)	(99 840)
Receivables, net	68 610	11 124	91 245	170 979

As of 31 December 2022

	Stage 1	Stage 2	Stage 3	Total
Receivables, gross	51 599	14 433	172 576	238 608
Impairment	(1 639)	(5 390)	(96 322)	(103 351)
Receivables, net	49 960	9 043	76 254	135 257

Receivables, gross

2023 year

	Stage 1	Stage 2	Stage 3	Total
Balance as of 01 January 2023	51 599	14 433	172 576	238 608
Transfer to stage 1	(6 110)	(253)	(390)	(6 753)
Transfer to stage 2	(444)	(3 960)	(35)	(4 439)
Transfer to stage 3	(1 002)	(453)	8 918	7 463
Acquired financial assets	64 448	15 572	26 292	106 312
Collected receivables	(34 695)	(6 419)	(26 350)	(67 464)
Balances as of 31 December 2023	73 796	18 920	178 103	270 819

Receivables, gross

2022 year

	Stage 1	Stage 2	Stage 3	Total
Balance as of 01 January 2022	48 291	14 088	139 997	202 376
Transfer to stage 1	(8 518)	(137)	(177)	(8 832)
Transfer to stage 2	(431)	(4 672)	(84)	(5 187)
Transfer to stage 3	(1 655)	(368)	15 503	13 480
Acquired financial assets	46 376	13 455	55 746	115 577
Collected receivables	(32 464)	(7 933)	(38 409)	(78 806)
Balances as of 31 December 2022	51 599	14 433	172 576	238 608

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Impairment of receivables

2023 year	Stage 1	Stage 2	Stage 3	Total
Balance as of 1 January 2023	(1 639)	(5 390)	(96 322)	(103 351)
Transfer to stage 1	23	63	130	216
Transfer to stage 2	22	1 817	12	1 851
Transfer to stage 3	51	113	(8 734)	(8 570)
Acquired financial assets	(4 753)	(6 700)	(25 511)	(36 964)
Collected receivables	1 110	2 301	51 080	54 491
Balances as of 31 December 2023	(5 186)	(7 796)	(86 858)	(99 840)

Impairment of receivables

2022 year	Stage 1	Stage 2	Stage 3	Total
Balance as of 1 January 2022	(1 853)	(5 936)	(61 724)	(69 513)
Transfer to stage 1	317	34	62	413
Transfer to stage 2	22	2 312	72	2 406
Transfer to stage 3	83	92	(15 550)	(15 375)
Acquired financial assets	(1 530)	(5 097)	(41 104)	(47 731)
Collected receivables	1 322	3 205	21 922	26 449
Balances as of 31 December 2022	(1 639)	(5 390)	(96 322)	(103 351)

A.5. Credit risk analysis of customer receivables for individually significant loans

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

Receivables, gross	31 December 2023	31 December 2022
Performing	123 898	106 456
Doubtful	-	-
Impaired	3 930	6 466
Total	127 828	112 923

	31 December 2023	31 December 2022
Receivables, gross	127 828	112 922
Impairment	(3 942)	(6 466)
Receivables, net	123 886	106 456

B. Liquidity risk

Liquidity risk is related to the inability to meet the Group'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 Group will not be able to meet its cash obligations is inherent in the business 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 Group'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.

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The Group holds 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 Group's undiscounted cash flows due from financial liabilities by remaining period to maturity. The amounts presented in the table are the agreed undiscounted cash flows, which also include interest, if any agreed.

<u>As of 31 December 2023</u>	Carrying amount	Contracted cash flows					Total
		Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	
Financial liabilities							
Borrowings	50 845	-	27 867	12 252	11 224	-	51 343
Lease liabilities	11 821	6	613	4 250	7 217	-	12 086
Trade payables	12 387	12 387	-	-	-	-	12 387
	75 053	12 393	28 480	16 502	18 441	-	75 816

<u>As of 31 December 2022</u>	Carrying amount	Contracted cash flows					Total
		Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	
Financial liabilities							
Borrowings	47 268	-	-	49 075	1 666	-	50 741
Lease liabilities	4 487	14	27	113	4 602	-	4 756
Trade payables	8 632	8 632	-	-	-	-	8 632
	60 387	8 646	27	49 188	6 268	-	64 129

C. Market risk

The Group 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 Group's financial instruments, it is primarily exposed to interest rate risk.

C.1 Interest 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 Group is exposed to both fair value and cash flow risks. Interest margins may increase as a result of these changes, which in turn would limit potential losses to the Group arising from changes in market interest rates. Trade and other receivables / liabilities are not interest-bearing.

C.2 Currency risk

Fluctuations in exchange rates have an impact on the Group's financial position and cash flows.

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 Group. The Group does not expect to

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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 controls.

E. Fair value of the 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 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 Group'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 (i.e. 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 making the assessments, the Group takes into account relevant observable market prices in cases where this is possible.

Fair value of financial instruments:

	<i>As of 31 December 2023</i>		<i>As of 31 December 2022 (restated)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial assets				
Cash and cash equivalents	8 701	8 701	8 266	8 266
Microloans granted	170 979	170 979	135 257	135 257
Individually significant loans granted	123 886	123 886	106 456	106 456
Other assets	17 650	17 650	13 913	13 913
Total financial assets	321 216	321 216	263 892	263 892

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	<i>As of 31 December 2023</i>		<i>As of 31 December 2022 (restated)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial liabilities				
Borrowings	50 845	50 845	47 268	47 268
Lease liabilities	11 821	11 821	4 487	4 487
Trade payables	12 387	12 387	8 632	8 632
Total financial liabilities	75 053	75 053	60 387	60 387

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 at **31 December 2023**:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	8 701	-	-	8 701
Microloans granted	-	-	184 944	184 944
Individually significant loans granted	-	-	123 886	123 886
Other assets	-	-	17 650	17 650
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial liabilities				
Borrowings	-	-	50 845	50 845
Lease liabilities	-	-	11 821	11 821
Trade payables	-	-	54 486	54 486

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 at **31 December 2022 (restated)**:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	8 266	-	-	8 266
Microloans granted	-	-	135 257	135 257
Individually significant loans granted	-	-	106 456	106 456
Other assets			13 913	13 913
Financial liabilities				
Borrowings	-	-	47 268	47 268
Lease liabilities	-	-	8 632	8 632

F. Capital management

The Group's capital management objectives are to maintain a strong capital base to ensure the Group'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 Group's gearing ratio as at 31 December 2023 and 31 December 2022, is as follows:

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	31 December 2023	31 December 2022 (restated)
Total debt capital	103 798	87 964
Less: Cash and cash equivalents	(8 701)	(8 266)
Net debt capital	95 097	79 698
Equity	237 893	189 187
Total capital	332 990	268 885
Debt ratio	0.29	0.30

The Group's equity consists of registered capital, reserves and retained earnings. Summary quantitative data on the composition of equity capital are disclosed in Notes 20-22.

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

In addition to the majority owner disclosed in note 20 and the unconsolidated subsidiaries disclosed in note 24, related parties of the Group are also:

Name	Relationship type
Management Financial Group AD	Parent company
Fintrade Finance AD	Company under common control
Viva Credit Ltd	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
Access Finance AD	Company under common control
AXI Finance IFN S.A.	Company under common control
Access Finance SL, Spain	Company under common control
Access Finance Inc, USA	Company under common control
Express Pay Ltd	Company under common control
April Services Ltd	Company under common control
Overdue Debt Control Agency AD	Company under common control
Agency for Control of Outstanding Debt SRL, Romania	Company under common control
Iuvo OOD	Company under common control
Iuvo Group OJ, Estonia	Company under common control
Iuvo Credit OJU, Estonia	Company under common control
Iuvo Finance UU, Estonia	Company under common control
Smart Innovative Technologies Ltd	Company under common control
ZD Instinct EAD	Company under common control
Smart Asset Services Ltd	Company under common control
MFG Invest AD	Company under common control
MFG Partners EOOD	Company under common control
Miafora Ltd, Cyprus	Company under common control
MFG Microcredit Ghana Limited	Company under common control
MFG Digital Limited, UK	Company under common control
Sofia Fin-invest Private Limited, India	Company under common control

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Name	Relationship type
Flexible Financial Solutions TOV, Ukraine	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

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

26.2. Trade transactions with related parties (the amounts are without VAT)

<i>Related party</i>	<i>Type of transaction</i>	2023	2022
Sales			
Management Financial Group AD	Loan interest	2 732	2 066
Fintrade Finance AD	Loan interest	185	184
Overdue Debt Control Agency AD	Loan interest	881	829
Iuvo OOD	Loan interest	129	-
Access Finance AD	Loan interest	534	1 299
AXI Finance IFN S.A.	Loan interest	18	29
Iuvo Group OJ	Loan interest	-	74
April Finance EAD	Loan interest	300	401
Express Pay Ltd	Loan interest	34	34
Domenica Finance EOOD	Loan interest	41	26
Smart Innovative Technologies Ltd	Loan interest	77	34
Viva Credit Ltd	Loan interest	59	8
Smart Asset Services Ltd	Loan interest	528	623
Easy Asset Management d.o.o.	Loan interest	116	11
Access Finance AD	Sale of NMA	-	12
Viva Credit Ltd	Services provided	85	1
Overdue Debt Control Agency AD	Services provided	2	12
Access Finance AD	Services provided	2 860	2 452
AXI Finance IFN S.A.	Services provided	1 078	911
Access Finance SL	Services provided	485	565
April Services Ltd	Services provided	-	192
Iuvo OOD	Services provided	1	-
New Pay AD	Services provided	1	-
Fintrade Finance AD	Services provided	5	-
		10 150	9 751

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<i>Related party</i>	<i>Type of transaction</i>	2023	2022
Purchases			
Management Financial Group AD	Loan interest	282	(12)
Fintrade Finance AD	Loan interest	(149)	(141)
Access Finance AD	Loan interest	(132)	(49)
Iuvo Group OJ	Loan interest	-	(764)
Management Financial Group AD	Hired services	(87)	-
Viva Credit Ltd	Hired services	(26)	(31)
Iuvo Group OJ	Hired services	(939)	(797)
Access Finance AD	Hired services	(1 647)	(1 722)
Smart Asset Services Ltd	Hired services	(1 358)	(1 126)
Smart Innovative Technologies Ltd	Hired services	(320)	-
Express Pay Ltd	Hired services	(1)	-
Seewines AD	Hired services	(167)	-
Seawines Spirit AD	Hired services	(13)	-
Seawines Logistics Ltd	Hired services	(6)	-
Overdue Debt Control Agency AD	Hired services	-	(249)
		(4 563)	(4 891)

26.3. Related party balances

<i>Related party</i>	<i>Type of balance</i>	31 December 2023		
		<i>Receivables, gross</i>	<i>Impairment</i>	<i>Receivables, net</i>
Receivables				
Management Financial Group AD	Loans granted	89 580	(618)	88 962
Viva Credit Ltd	Loan granted	3 601	(49)	3 552
Fintrade Finance AD	Loan granted	2 066	(28)	2 038
Arrears Control Agency Ltd	Loan granted	13 906	(175)	13 731
Iuvo OOD	Loan granted	2 995	(361)	2 634
Access Finance Ltd	Loan granted	4 136	(137)	3 999
AXI Finance IFN S.A.	Loan granted	339	(339)	-
Express Pay Ltd	Loan granted	621	(621)	-
Smart Asset Services Ltd	Loan granted	5 724	(385)	5 339
Smart Innovative Technologies Ltd	Loan granted	1 611	(145)	1 466
Easy Asset Management d.o.o.	Loan granted	2 278	(59)	2 219
Domenia Finance EOOD	Loan granted	658	(658)	-
Trade loans granted and interest (note 11)		127 473	(3 455)	124 018
Agency for control of overdue liabilities Ltd	Cession	22	-	22
Access Finance Ltd	Services	1 309	-	1 309
AXI Finance IFN S.A.	Services granted	182	-	182
Access Finance SL	Services granted	1 828	-	1 828
Viva Credit Ltd	Services granted	1	-	1
Fintrade Finance AD	Services granted	2	-	2
Arrears Control Agency Ltd	Services granted	689	-	689
Smart Asset Services Ltd	Services granted	3	-	3
Iuvo Ltd	Services granted	1	-	1
New Pay AD	Services granted	1	-	1
Smart Asset Services Ltd	NMA	71	-	71
Other assets (note 15)		4 150	-	4 150
Total receivables		131 623	(3 455)	128 168

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<i>Related party</i>	<i>Balance type</i>	31 December 2022		
		<i>Receivables, gross</i>	<i>Impairment</i>	<i>Receivables, net</i>
Receivables				
Management Financial Group AD	Loan	64 253	-	64 253
Fintrade Finance AD	Loan	2 066	-	2 066
Overdue Debt Control Agency AD	Loan	11 725	-	11 725
Access Finance AD	Loan	11 102	-	11 102
AXI Finance IFN S.A.	Loan	325	-	325
Iuvo Group OJ	Loan	2 151	(400)	1 751
April Finance EAD	Loan	3 762	-	3 762
Express Pay Ltd	Loan	588	(564)	24
Smart Asset Services Ltd	Loan	14 026	(4 800)	9 226
Smart Innovative Technologies Ltd	Loan	1 584	(155)	1 429
Easy Asset Management d.o.o.	Loan	793	-	793
Domenia Finance EOOD	Loan	547	(547)	-
Overdue Debt Control Agency AD	Cession	430	-	430
Access Finance AD	Services granted	551	-	551
AXI Finance IFN S.A.	Services granted	542	-	542
Access Finance SL	Services granted	649	-	649
April Services Ltd	Services granted	144	-	144
		115 238	(6 466)	108 772

<i>Related party</i>	<i>Balance type</i>	31 December 2023	31 December 2022
Liabilities			
Fintrade Finance AD	Loan received	1 687	1 687
Access Finance AD	Loan received	-	1 262
Iuvo Group OJ	Loan received	-	8 451
Borrowings from related parties (Note 17)		1 687	11 400
Management Financial Group AD	Hired services	384	337
Viva Credit Ltd	Hired services	131	44
Access Finance AD	Hired services	6 635	3 361
AXI Finance IFN S.A.	Hired services	513	
Access Finance SL	Hired services	31	
Easy Asset Management d.o.o.	Hired services	53	
Seawines AD	Hired services	-	35
Iuvo Group OJ	Hired services	1 207	164
AXI Finance IFN S.A.	Hired services	-	119
April Finance EAD	Hired services	-	69
Smart Asset Services Ltd	Hired services	325	609
ZD Instinct EAD	Hired services	316	
Express Pay Ltd	Hired services	-	-
Trade and other liabilities (Note 19)		9 595	4 738
Total liabilities		11 282	16 138

Remuneration of the Group's key executives for 2023 amount to BGN 2,876 thousand BGN (2022: BGN 3,007 thousand).

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The amount of outstanding loans given to 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 parent company and the subsidiaries in the Easy Asset Management AD Group are parties (defendant and plaintiff) to legal disputes related to commercial cases. The management of the Group, together with the legal advisor, has performed an analysis of the state of litigation and has assessed that there are no significant risks that are not disclosed in the current consolidated financial statements as of December 31, 2023.

28. Subsequent events

In April 2024, the liquidation of the subsidiary Easy Asset Management LLC, Albania, was initiated.

No adjusting events or other significant non-adjusting events occurred between the date of the financial statements and the date of their approval for publication.

29. Financial statements approval

The consolidated annual financial statement as of December 31, 2023. (including comparative information) was approved for issuance by the Board of Directors of the Parent Company on September 24, 2024.