



EASY ASSET MANAGEMENT AD
Consolidated Activity Report
Consolidated Non-financial Declaration
Independent Auditor's Report
Consolidated Financial Statements
For the year ending December 31, 2024

EASY ASSET MANAGEMENT AD
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ACTIVITY REPORT

Management presents its Consolidated Financial Statements for the year ending 31 December 2024, prepared in accordance with IFRS accounting standards, as adopted by EU. This Consolidated Statement has been audited by MGI Delta OOD.

CORPORATE INFORMATION

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

As of 31.12.2024 "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.

The remuneration of key management personnel for 2024 is disclosed in Note 26.3. Related party transactions.

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 Beograd – Executive Director.

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

1. 11235 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 - Executive Director and Member of the Board of Directors.

Nedelcho Yordanov Spasov does not participate in commercial companies as a general partner. Owns more than 25 percent of the capital of the following companies: Management Financial Group AD, Chiron Management AD. Participates in the management of:

1. Liquid Dreams Ltd. – Executive Director;
2. MFG Partners EOOD – Executive Director;
3. MFG Invest AD – Executive Director and member of the Board of Directors;
4. Miafora Limited – Executive Director and member of the Board of Directors;
5. New Pay EAD – Executive Director and member of the Board of Directors;
6. MFG Digital Limited – Executive Director and member of the Board of Directors;
7. Chapeau AD – Executive Director and Member of the Board of Directors;
8. iCredit Inc. – Executive Director and Member of the Board of Directors;
9. AYA MFG Inc. – Executive Director and Member of the Board of Directors;
10. SEEWINES AD – Member of the Board of Directors;
11. EASY ASSET MANAGEMENT IFN S.A – Member of the Board of Directors;
12. "MFG Foundation" FOUNDATION - Member of the Board of Directors;
13. April Finance EAD - Member of the Board of Directors;
14. Access Finance Inc. – Member of the Board of Directors;
15. Aiya Equestrian Centre AD – Member of the Board of Directors;
16. Funding Alliance EAD – 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. Participates in the management of:

1. Liquid Dreams Ltd. – Executive Director;
2. EASY INDIVIDUAL SOLUTIONS, SA de CV, SOFOM ENR – Executive Director and member of the Board of Directors;
3. MFG Invest AD – Executive Director and member of the Board of Directors;
4. MFG Digital Limited – Executive Director and member of the Board of Directors;
5. SEEWINES AD – Member of the Board of Directors;
6. Fintrade Finance AD – Member of the Board of Directors;
7. EASY ASSET MANAGEMENT IFN S.A – Member of the Board of Directors;
8. Seewines Spirit 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;
11. New Pay AD – Member of the Board of Directors;
12. Access Finance Inc. – Member of the Board of Directors.
13. Aiya Equestrian Centre AD – Member of the Board of Directors;
14. Chapeau AD – Member of the Board of Directors;
15. Funding Alliance EAD – Member of the Board of Directors.

Subsidiaries

The parent company holds a controlling interest in the following subsidiaries:

- Easy Credit LLC (Ukraine)-100%, established in 2008. 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 31.12.2024 the capital is in the amount of 14,970 thousand BGN
- SC Easy Asset Management IFN (Romania)-100%(99.999938%), established in 2011. The subsidiary 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 EUR 440 thousand). The currency in which the capital of the Subsidiary is registered is Romanian lei. As of 31.12.2024 the capital of the Romanian company is BGN 5,770 thousand, equivalent to EUR 2,950 (13,722 thousand lei).

- Ai Credit SP.Z.O.O. (Poland) – 100% , 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 PLN 5 thousand) as of the date of establishment. In 2016 a decision was made to increase the capital to PLN 200 thousand. In 2023 a decision was made to increase the capital to PLN 1,000 thousand.
- Easy Payment Services EOOD (Bulgaria) - 99.60%, 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 31.12.2024 the registered capital is in the amount of 14,900 thousand BGN.
- Financial Bulgaria EOOD, (Bulgaria) – 100%
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.
- Financial company M Cash Macedonia LLC Skopje, (Macedonia) – 100%
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 2024, the value of the registered capital of the Subsidiary increased and reached 1000 thousand euro.
- Easy Individual Solutions F.D.M.D. (Mexico)-98%, established in 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 2024, the company did not carry out any commercial activity.
- Easy Asset Services EOOD, (Bulgaria) – 100%
In 2020 the Company purchased 100% of the shares of Easy Asset Services EOOD ("Subsidiary"), established in 2008. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria and its subject of activity 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 August 2024, the company was sold to Management Financial Group AD.
- Easy Asset Management LLC, (Albania) – 100%
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). The company was liquidated in 2024.
- Easy Asset Management Iberia SL, (Spain) – 100%

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In 2022, Easy Asset Management AD entered the Spanish market with its subsidiary Easy Asset Management Iberia SL. The subsidiary is registered in accordance with the legislation of Spain. The value of the registered capital is EUR 3 thousand (equivalent to 6 thousand BGN).

- Access Finance Sp z.o.o., (Poland) – 100%
 In 2024, the Company purchased from Access Finance AD 100% of the shares of Access Finance Sp z.o.o., Poland (“Subsidiary”), established in 2023. The Subsidiary is registered in accordance with Polish legislation and regulatory requirements for non-banking financial institutions. The value of the registered capital is PLN 200 thousand.

Shareholder structure

As of December 31, 2024 the Company's capital is BGN 8,503,000 distributed in 8,503,000 shares of BGN 1 each, as follows:

Shareholders	Number of shares	Value per share in BGN	Total value in BGN	% of the capital
Management Financial Group AD	7 522 183	1,00	7 522 183	88,42 %
Angel Vassilev Madzhirov	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 %
Apostol 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	5 000	1,00	5 000	0,06 %
Maria Stavreva Velkova	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 %
Yordan 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, 2024, and 31 December 2023, 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, 2024 the total number of employees on an employment contract amounts to 3,196 people.

In the financial year 2024, the Group realized a profit of BGN 25,237 thousand (2023: BGN 53,033 thousand), which is mainly formed by Income from interest, fees and penalties, as well as other Income from the activity such as insurance, packages with medical services and Income from payment services. In the financial year 2024 the main expenses of the Group are related to losses from impairment of financial assets - BGN 63,923 thousand (2023: BGN 43,308 thousand), personnel expenses - BGN 139,990 thousand (2023: BGN 117,084 thousand), expenses related to the Group's activity - BGN 58,108 thousand (2023: 53,198 thousand BGN).

As of December 31, 2024 the total amount of the Group's assets is BGN 415,275 thousand (2023: BGN 340,551 thousand), of which microloans granted to natural persons – BGN 173,719 thousand (2023: BGN 170,979 thousand), individually significant loans granted – BGN 162,482 thousand (2023: BGN 124,372 thousand), trade and other receivables BGN 42,377 thousand (2023: BGN 17,650 thousand BGN).

Development, results of the activity and state of the company in 2024.

"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. In 2024 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 over 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 Insurance Company "Instinct" AD, offering its customers an insurance product that protects and supports them in unforeseen circumstances related to their health.

Since its launch more than 18 years ago, the Easy Credit group has granted nearly 5 million loans to consumers in Europe. In the past year 2024, nearly 428 million leva have been allocated as loans to consumers (373 million leva in 2023) or a growth of 14.74%. The amounts collected for the period amounted to nearly 619 million leva (533 million leva in 2023) or a growth of 16.13%. The company's gross loan portfolio as of December 2024 is 282 million leva or a growth of 3.82% 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. Part of the Company's competitors are banking and financial institutions that have access to 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 on loans and the interest 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.

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 account balances) 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	2024	2023	Difference	
	Value	Value	Value	%
Profitability				
On equity	0.13	0.27	0.14	52.90%
On the assets	0.08	0.19	0.11	57.64%
On liabilities	0.21	0.61	0.40	65.56%
On sales Income	0.09	0.22	0.12	58.02%
Financial autonomy				
Financial autonomy	0.63	0.70	-0.07	-10.07%
Indebtedness	0.37	0.30	0.07	22.98%

Fair value of financial assets and liabilities

Fair values of loans and receivables, as well as liabilities to third parties, are determined using a present value model based on agreed cash flows, taking into account credit quality, liquidity and costs; fair value does not differ materially from net carrying amount. The fair value 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 position. 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 valuations, 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 2024</i>		<i>As of 31 December 2023 (restated)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial assets				
Cash and cash equivalents	22 874	22 874	8 701	8 701
Microloans granted	173 719	173 719	170 979	170 979
Individually significant loans granted	162 482	162 482	124 372	124 372
Other assets	42 377	42 377	17 650	17 650
Total financial assets	401 452	401 452	321 702	321 702
Financial liabilities				
Borrowings	105 895	105 895	50 845	50 845
Lease liabilities	8 352	8 352	11 821	11 821
Trade payables	19 684	19 684	12 387	12 387
Total financial liabilities	133 931	133 931	75 053	75 053

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 2024:**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	22 874	-	-	22 874
Microloans granted to individuals	-	-	173 719	173 719
Individually significant loans granted	-	-	162 482	162 482
Other assets	-	-	42 377	42 377
Financial liabilities				
Borrowings	-	-	105 895	105 895
Lease liabilities	-	-	8 352	8 352
Trade payables	-	-	19 684	19 684

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:**

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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	8 701	-	-	8 701
Microloans granted to individuals	-	-	170 979	170 979
Individually significant loans granted	-	-	124 372	124 372
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

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 (the ratio between net debt capital and total capital) as of December 31, 2024 and December 31, 2023 is as follows:

	31 December 2024	31 December 2023 (restated)
Total debt capital	155 655	103 798
Less: Cash and cash equivalents	(22 874)	(8 701)
Net debt capital	132 781	95 097
Equity	259 620	236 753
Total capital	392 401	331 850
Leverage	0.34	0.29

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 valuation 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 forms of training on the topics being introduced regularly into the organization and being delivered at every 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 have not concluded 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 2024.

Parent company branches

As of December 31, 2024 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, staff 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 is 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 2025

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 unified 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:

- employees are hired and promoted for their merits (results and professional experience);
- there are opportunities for development and a balance between working time and personal life has been achieved;
- team work within individual business units is valued;
- employees 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 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;
- employees 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, 2024.

On 17.03.2025, Easy Asset Management AD entered into an agreement to acquire a controlling interest in Easy Asset Management d.o.o., Croatia. The management expects the transaction to be finalized within 2025 and the activities on the territory of the Republic of Croatia to expand.

On 08.05.2025, a change in the composition of the Board of Directors was entered in the company's account in the Commercial Register

Planned development of the Group for 2024 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 2024, 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, 2024 the principle of prudence has been observed in the assessment of assets, liabilities, Income 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 accurate maintenance of the accounting records, the prudent management of assets and taking the necessary measures to prevent and detect potential fraud and other irregularities..


Galín Todorov
Executive Director

Angel Madzhírov
Executive Director 

Date: September 29, 2025

**CONSOLIDATED NON-FINANCIAL DECLARATION
OF EASY ASSET MANAGEMENT AD FOR 2024**

This 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 not 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 people 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 personnel are satisfied with their work and feel empathetic with the problems and achievements of the Group. The Group considers that social benefits for the personnel 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 the 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 their 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, 2024

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.



Galina Todorov
Executive Director

Angel Madzhirov
Executive Director



Date: September 29, 2025

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, 2024, 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, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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 Law on Independent Financial Audit and Assurance on Sustainability (LIFAAS) 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 LIFAAS 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, 2024, the consolidated financial statements include:

- Gross value of microloans lended to individuals in the amount of BGN 282,201 thousand (December 31, 2023: BGN 270,819 thousand) and expected credit loss in the amount of BGN 108,482 thousand (December 31, 2023: BGN 99,840 thousand), as presented in Note 10 to the consolidated financial statements;
- Gross value of individually significant loans lended in the amount of BGN 166,925 thousand (December 31, 2023: BGN 127,828 thousand) and expected credit loss in the amount of BGN 4,443 thousand (December 31, 2023: BGN 3,456 thousand), as presented in Note 11 to the consolidated financial statements;
- Net amount of Loss from impairment, recognized in the income statement, in the amount of BGN 63,923 thousand loss (2023: BGN 43,308 thousand loss), as presented in Note 5 to the consolidated financial statements.

See also the following notes on the consolidated financial statements:

- 2.4 Financial Instruments
- 25.A Credit Risk

<i>Key Audit Matter</i>	<i>How this key audit matter was addressed in our audit</i>
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 consolidated and portfolio basis. The loans lended represent a significant part (81%) of the Group's total assets as of December 31, 2024. The Group applies an impairment model based on expected credit losses (ECL) in accordance with the requirements of IFRS 9 Financial Instruments. Determining the impairment of loans by applying this model involves the use of a significant level of judgment by the Groups	In this area, our audit procedures included: Gaining an understanding of the process of determining the ECL for loan impairment, including the models for calculating the ECL on a collective and consolidated basis. 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. 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 applications used in it, the main data sources and the assumptions used in the ECL model.

Key Audit Matter	How this key audit matter was addressed in our audit
Management, due to the high level of complexity in determining the amount of expected credit losses. Expected credit losses are calculated using available historical data and expected future developments. The statistical models used are based on the probability of default and the expected amount of loss given default. The key inputs used to measure ECL are: Probability of Default (PD); Loss Given Default (LGD); and Exposure to Default (EAD). Due to the materiality of the loans 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.	Gaining an understanding and evaluation of internal controls related to the determination of loans impairment. With respect to impairment calculated on a collective basis, we reviewed the methodology used by the Group to determine it, the reasonableness of the underlying assumptions and the completeness and accuracy of the input data. With respect to impairment calculated on an 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 accounting standards adopted by the EU 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 LIFAAS 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 Law on Independent Financial Audit and Assurance on Sustainability

In accordance with the requirements of the Law on Independent Financial Audit and Assurance on Sustainability (LIFAAS) 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 2024 by the general meeting of shareholders held on 24 September 2024 for a period of one year.
- The audit of the consolidated financial statements of the Group for the year ended 31 December 2024 represents fourth 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 LIFAAS.
- We hereby confirm that we have not provided the prohibited non-audit services referred to in Art. 64 of the LIFAAS.
- We hereby confirm that in conducting the audit we have remained independent of the Group.



Vladimir Kolmakov
Manager and Engagement Partner
MGI Delta LLC, audit firm Nr 177

September 29, 2025
Sofia

EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ending December 31, 2024

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

	Notes	2024	2023
Interest, fees, and penalties income		294 940	252 245
Interest and fees expenses		(15 396)	(5 629)
Net income from interest, fees, and penalties	3	279 544	246 616
Other operating income, net	4	28 589	30 730
Impairment loss on financial assets	5	(63 923)	(43 308)
Employee benefits expense	6	(139 990)	(117 084)
General administrative and other operating expenses	7	(58 108)	(53 198)
Loss from sale of investment	8	(14 323)	-
Share of results of joint ventures		1 102	(74)
Profit before tax		32 891	63 682
Income tax expense		(7 654)	(10 649)
Profit for the year		25 237	53 033
Other comprehensive income			
<i>Components that can be reclassified to profit or loss:</i>			
Subsequent valuation of defined benefit plans		(123)	(140)
Foreign exchange differences on translation of foreign operations		(162)	(911)
Other comprehensive income for the year, net of tax		(285)	(1 051)
Total comprehensive income		24 952	51 982
Profit for the year attributable to:			
Owners of the parent company		25 176	53 016
Non-controlling interest		61	17
Total comprehensive income attributable to:			
Owners of the parent company		24 887	51 969
Non-controlling interest		65	13

The notes form an integral part of these financial statements.

The present financial statements were approved on September 29, 2025.

Executive Director

Galin Todorov

Executive Director

Angel Madzhirov

Preparer

Diana Stefanova

In accordance with the independent auditor's report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov
Manager and engagement partner

29-09-2025

EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of December 31, 2024

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

	Notes	31 December 2024	31 December 2023 (restated)
ASSETS			
Cash and cash equivalents	9	22 874	8 701
Microloans granted to individuals	10	173 719	170 979
Individually significant loans granted	11	162 482	124 372
Other assets	12	42 377	17 650
Property, plant and equipment	13	1 754	1 962
Intangible assets	14	3 468	4 013
Right-of-use assets	15	7 465	11 159
Investment property		-	615
Deferred tax assets	16	1 136	1 100
TOTAL ASSETS		415 275	340 551
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	17	105 895	50 845
Lease liabilities	18	8 352	11 821
Trade and other payables	19	40 878	40 351
Income tax liabilities		530	781
TOTAL LIABILITIES		155 655	103 798
EQUITY			
Share capital		8 503	8 503
Reserves		13 436	14 419
Retained earnings		237 573	213 793
<i>Equity attributable to owners of the parent company</i>		259 512	236 715
Non-controlling interest		108	38
TOTAL EQUITY	24	259 620	236 753
TOTAL LIABILITIES AND EQUITY		415 275	340 551

The notes form an integral part of these financial statements.

The present financial statements were approved on September 29, 2025.

Executive Director



Galin Todorov

Executive Director



Angel Madzhirov

Preparer



Diana Stefanova

In accordance with the independent auditor's report:
MGI Delta LLC, audit firm Nr 177



Vladimir Kolmakov
Manager and engagement partner

29-09-2025

EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ending December 31, 2024

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

	Equity attributable to owners of the parent company					Equity 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, 2023	8 503	15 910	57	(1 248)	165 938	189 160	27	189 187
<i>Total comprehensive income for the year, incl.</i>			<i>(140)</i>	<i>(907)</i>	<i>53 016</i>	<i>53 969</i>	<i>13</i>	<i>51 982</i>
Profit for the year	-	-	-	-	53 016	53 016	17	53 033
Other comprehensive income for the year	-	-	(140)	(907)	-	(1 047)	(4)	(1 051)
<i>Transactions with owners reported directly in equity</i>	-	-	-	747	<i>(5 161)</i>	<i>(4 414)</i>	<i>(2)</i>	<i>(4 416)</i>
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)	(1 408)	213 793	236 715	38	236 753
<i>Total comprehensive income for the period, incl.</i>			<i>(123)</i>	<i>(166)</i>	<i>25 176</i>	<i>24 887</i>	<i>65</i>	<i>24 952</i>
Profit for the year	-	-	-	-	25 176	25 176	61	25 237
Other comprehensive income for the year	-	-	(123)	(166)	-	(289)	4	(285)
<i>Transactions with owners reported directly in equity</i>	-	-	-	<i>(694)</i>	<i>(1 396)</i>	<i>(2 090)</i>	<i>5</i>	<i>(2 085)</i>
Change of holdings in subsidiaries	-	-	-	(694)	604	(90)	5	(85)
Dividends paid	-	-	-	-	(2 000)	(2 000)	-	(2 000)
Balance on 31 December 2024	8 503	15 910	(206)	(2 268)	237 573	259 512	108	259 620

The notes form an integral part of these financial statements. The present financial statements were approved on September 29, 2025.

Executive Director

Galin Todorov

Executive Director

Angel Madzhirov

Preparer

Diana Stefanova

In accordance with the independent auditor's report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov, Manager and engagement partner

29-09-2025

EASY ASSET MANAGEMENT AD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ending December 31, 2024

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

	Notes.	2024	2023 (restated)
Operating activities			
Payments for microloans granted to individuals		(404 043)	(376 851)
Proceeds from repayments of microloans granted to individuals		568 821	485 816
Payments for granted individually significant loans		(68 301)	(42 799)
Proceeds from repayments of granted individually significant loans		25 800	29 631
Payments related to personnel		(132 535)	(109 660)
Receipts from customers		139 536	115 951
Payments to suppliers		(65 370)	(58 292)
Financial settlement payments, net		(51 526)	(38 073)
Income tax paid		(9 783)	(11 050)
Other (payments)/receipts for operating activities, net		(4 672)	12 893
<i>Net cash flows from operating activities</i>		<u>(2 073)</u>	<u>7 566</u>
Investing activities			
Investments in subsidiaries		(74)	(5 200)
Purchases of fixed assets		(1 536)	(2 203)
Acquisitions and disposals of subsidiaries, net of cash received		50	(135)
<i>Net cash flows from investing activity</i>		<u>(1 560)</u>	<u>(7 538)</u>
Financing activities			
Dividends paid		(1 988)	(1 988)
Proceeds from borrowings		47 949	8 233
Repayments of borrowings, including interest		(24 593)	(3 781)
Payments under lease contracts		(3 453)	(2 408)
Other receipts / (payments) for financing activity, net		(88)	429
<i>Net cash flows from financing activities</i>		<u>17 827</u>	<u>485</u>
Net increase/ (decrease) in cash and cash equivalents		14 194	513
Cash and cash equivalents at the beginning of the year		8 701	8 266
Effect of foreign exchange rate changes		(21)	(78)
Cash and cash equivalents at the end of the year	9	<u>22 874</u>	<u>8 701</u>

The notes form an integral part of these financial statements.

The present financial statements were approved on September 29, 2025.

Executive Director



Galín Todorov

Executive Director



Angel Madzhirov

Preparer



Diana Stefanova

In accordance with the independent auditor's report:
 MGI Delta LLC, audit firm Nr 177



Vladimir Kolmakov
 Manager and engagement partner

29-09-2025

EASY ASSET MANAGEMENT AD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ending December 31, 2024

(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, UIC: 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 2024 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, 2024 the total number of employees on an employment contract of the Group amounts to 3,196 people (as of December 31, 2023: 3,108 people).

As of December 31, 2024, 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 accordance with IFRS accounting standards as adopted by the European Union ("IFRS accounting standards as adopted by the EU"). The reporting framework "IFRS accounting standards as adopted by the EU" is essentially the designated national accounting basis International Accounting Standards (IAS) as adopted by the EU, regulated by the Accounting Act and defined in item 8 of its Supplementary Provisions.

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

EASY ASSET MANAGEMENT AD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ending December 31, 2024

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

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 Degree of liquidity and maturity structure

The group presents its consolidated statement of 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 consolidated statement of financial position (current) and after more than 12 months after the date of the consolidated statement of financial position (non-current) is presented in the notes to the consolidated financial statements.

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 recognized in profit or loss. Amounts arising from interests in acquisitions prior to the acquisition date that were

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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 Income, expenses, estimates and transactions and all unrealized Income 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 2024, a prior period error was identified in the consolidated financial statements for FY2023 of Easy Asset Management AD, related to an unrecognized impairment of the subsidiary April Finance EAD. The data for FY2023 was corrected.

In 2024, a prior period error was identified in the subsidiary SC Easy Asset Management IFN AD (Romania), concerning the calculation of deferred taxes and, accordingly, in determining the value of the deferred tax asset as of December 31, 2023.

The parent company restated the errors by applying the approach set out in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, i.e. retrospectively, by recalculating the comparative information for the previous reporting period. The adjustments have had an impact on the financial result for 2023.

Effect of the restatement on the Consolidated Statement of Comprehensive Income

<u>For FY2023</u>	Reported before	Restatement	Restated
Impairment loss of financial assets	(43 794)	486	(43 308)
Profit before tax	63 196	486	63 682
Income tax expense	(9 013)	(1 636)	(10 649)
Profit for the year	54 183	(1 150)	53 033
Foreign exchange differences on translation of foreign operations	(921)	10	(911)
Total comprehensive income for the year	53 122	(1 140)	51 982

Effect of the restatement in the Consolidated Statement of Financial Position

<u>As of December 31, 2023</u>	Reported before	Restatement	Restated
Individually significant loans granted	123 886	486	124 372
Deferred tax assets	2 726	(1 626)	1 100
Total assets	341 691	(1 140)	340 551
Reserves	14 409	10	14 419
Retained earnings	214 943	(1 150)	213 792
<i>Equity attributable to owners of the parent company</i>	<i>237 855</i>	<i>(1 140)</i>	<i>236 715</i>
Total equity	237 893	(1 140)	236 753
Total equity and liabilities	341 691	(1 140)	340 551

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2.1.5. New standards and clarifications

New and amended standards that came into force during the current reporting period

The Company is applying for the first time the following standards and amendments, which are effective for annual periods beginning on or after January 1, 2024

- **Amendments to IFRS 16 - Lease Obligation on Sale and Leasebacks.** Clarifies the requirements that a seller-lessee uses when measuring the lease liability arising in a sale and leaseback transaction to ensure that the seller-lessee does not recognize any portion of the gain or loss that relates to the right-of-use that it retains.
- **Amendments to IAS 1 - Classification of liabilities as current or non-current.** Clarifies the requirements for classifying liabilities as current or non-current.
- **Amendments to IAS 7 and IFRS 7 - Supplier financing arrangements.** Clarifies the characteristics of supplier financing arrangements and requires additional disclosure of such arrangements.

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

As of the date of approval of these financial statements, the following new standards issued by the IASB and adopted by the EU have not yet entered into force:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Non-convertibility.** The amendments clarify how to assess whether a currency is convertible and how to determine the exchange rate when it is not.

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

The following new and amended standards have not yet been approved for use in the EU and therefore cannot be applied by the Company:

- **IFRS 18 Presentation and Disclosure in Financial Statements.** The version issued by the IASB is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted.
- **IFRS 19 Non-Publicly Reporting Subsidiaries: Disclosures.** The version issued by the IASB is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted.
- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Changes in the Classification and Measurement of Financial Instruments.** The version issued by the IASB is effective for annual periods beginning on or after January 1, 2026, with earlier application permitted.
- **Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts involving nature-dependent electricity.** The version issued by the IASB is effective for annual periods beginning on or after January 1, 2026, with earlier application permitted.
- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** The effective date was temporarily removed by the IASB.
- **Annual Improvements to IFRSs - Volume 11.** The version issued by the IASB is effective for annual periods beginning on or after January 1, 2026.

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.

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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 Income 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.

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, Mexico and Albania are respectively:

Currency	2024		2023	
	Average exchange rate	Closing exchange rate	Average exchange rate	Closing exchange rate
RON	0,39316	0.39318	0,39538	0.39308
PLN	0.45423	0.45750	0.43061	0.45070
UAH	0.04500	0.04452	0.04944	0.04634
MKD	0.03179	0.03180	0.03181	0.03180
USD	1.80694	1.88260	1.80876	1.76998
MXN	0.09863	0.09087	0.10204	0.10465
ALK	0.01942	0.01993	0.01798	0.01883

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2.3. Recognition of income and expenses

Interest income and expense

For all financial instruments reported at amortized cost, interest-bearing financial assets classified as available-for-sale and financial instruments reported at fair value, interest Income and expenses are reported as "interest Income" and "interest expense" in the financial statement, using the effective interest rate method. It is a method of calculating the amortized cost of a financial asset or financial liability and allocating the interest Income or interest expense for the relevant period. The effective interest rate is the interest rate that accurately discounts the estimated future cash flows for the life cycle of the financial instrument, or when necessary – a shorter period, relative to the net carrying amount of the financial asset or financial liability.

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.

Income from and expenses for fees and commissions

Income 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. Income 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.

Income from penalties

Income 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 Income on the date of early repayment.

Income from ceded receivables

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

Customer loyalty programs

Loans granted under customer loyalty programs represent a separate identifiable component of the transaction under which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the 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 Income for the period.

Dividend income

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

Income 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.

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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 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.

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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 valuation

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

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

Amortized cost 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.

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 Income or expense upon initial recognition of the instrument.

Fair value measurement

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

In order to improve consistency and comparability in fair value measurement and related disclosures, the 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.

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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 not 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.

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.

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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 one or more of the following criteria are met:

(a) Quantitative criteria

- An increase in the lifetime probability of default (PD) of the financial asset at the reporting date compared to the lifetime probability of default at the date the asset was first recognized in the amount of 30%;
- The debtor is in arrears for more than 180 days, but less than 365 days, except for cases where the 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;

(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.

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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 overdue more than 180 days 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 overdue more than 2 years 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.

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

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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 Income/expense when liabilities are written off. Interest expense paid to investors is shown in a gross amount calculated using the effective interest method in the 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. Income 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.

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.

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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.

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

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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 valuation 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 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.

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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.

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.

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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;
- 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.

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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.

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 2024 is 10% (2023: 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:

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Country	Tax rate	
	2023	2024
Romania	16%	16%
Poland	9%/19%	9%/19%
Ukraine	18%	18%
North Macedonia	10%	10%
Spain	25%/23%	25%/23%
Croatia	18%	18%

Deferred income taxes

Deferred income 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, 2024 the Group's deferred tax assets and liabilities are assessed at a rate of 10% (December 31, 2023: 10%) for companies in Bulgaria and at a rate between 10% and 24% for companies abroad.

2.12. Employee Benefits

Short-term benefits

Short-term employee benefits (other than employment termination benefits) include salaries, bonuses, compensation for unused leave, social and health insurance contributions.

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

Long term income

The Group's liabilities arising from long-term employee benefits, 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.

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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 share-based payment 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. Significant accounting estimates, judgements, and assumptions when applying the accounting policy

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

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

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

- Expected credit losses on receivables – note 2.4
- 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 2.10
- Determination of fair value – note 2.4

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3. Net income from interest, fees, and penalties

	2024	2023
Interest income	161 906	150 080
Fees income	105 903	93 083
Penalties income	27 131	9 082
Interest, fees, and penalties income	294 940	252 245
Interest expenses on bank loans	(975)	(888)
Interest expenses on loans from related parties	(257)	(280)
Interest expenses on trade loans	(148)	(3)
Interest expenses on leases	(545)	(651)
Interest expenses on loans from P2P platforms	(4 804)	(3 035)
Expenses for fees and commissions	(8 667)	(772)
Interest and fees expenses	(15 396)	(5 629)
Net income from interest, fees and penalties	279 544	246 616

4. Other operating income, net

	2024	2023
<i>Income from disposal of property, plant and equipment</i>	76	60
<i>Cost of disposed property, plant and equipment</i>	(1)	(16)
Gain on disposal of property, plant and equipment	75	44
<i>Income from foreign exchange operations and revaluations</i>	3 449	7 777
<i>Expenses of foreign exchange operations and revaluations</i>	(3 550)	(4 887)
Gain /(loss) from foreign exchange transactions and revaluations	(101)	2 890
Gain /(loss) on ceded receivables, net	11 471	(9 434)
Income from provided services	15 981	36 639
Other operating income	1 163	591
	28 589	30 730

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

5. Impairment loss on financial assets

	2024	2023 (restated)
Impairment loss of granted microloans	(43 511)	(40 210)
Loss generated in connection with guaranteeing the receivables in the microloan portfolio	(21 355)	(11 316)
Gain from reintegrated impairment of granted microloans	2 821	5 208
(Loss from impairment) / Gain from reintegrated impairment of individually significant loans granted	(1 878)	3 010
	(63 923)	(43 308)

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6. Employee benefits expense

	2024	2023
Salaries and benefits	(125 002)	(104 412)
Social security	(14 923)	(12 627)
Costs for employee benefits upon retirement	(65)	(45)
	(139 990)	(117 084)

7. General administrative and other operating expenses

	2024	2023
Advertising and marketing	(10 009)	(8 688)
Depreciation	(8 472)	(7 109)
Transport, courier and business trips	(6 756)	(5 729)
Consulting, legal services	(5 420)	(3 926)
Leasing of assets	(6 347)	(3 343)
Telecommunication and postal expenses	(2 920)	(2 454)
Consumables, including electrical energy	(1 517)	(2 074)
Representative and unrelated to the activity	(2 331)	(1 687)
Expense for materials	(1 542)	(1 340)
Repair and technical support	(1 160)	(1 131)
Social expenses	(470)	(735)
Insurances	(526)	(648)
Office security	(420)	(352)
Audit services	(222)	(218)
Other operating expenses	(9 996)	(13 764)
	(58 108)	(53 198)

Under Other operating expenses, in the amount of 9, 996 thousand BGN, the Group presents the following main expenses:

- 1,588 thousand BGN - commission costs on loans received from p2p investors
- 1,784 thousand BGN - expenses related to credit registers
- 125 thousand BGN - commissions on mediation contracts related to card and credit business
- 28 thousand BGN - monthly card servicing fee

8. Loss from sale of investment

In August 2024, Easy Asset Management AD entered into a deal with Management Financial Group AD for the sale of its subsidiary Easy Asset Services EOOD. According to the deal, the company was removed from the scope of consolidation as of the date of transfer of ownership. As a result of the sale, the group reported a loss of BGN 14,323 thousand, which is reflected in the financial result for the period.

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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 2024	31 December 2023
Cash in bank accounts	20 999	6 449
Cash on hand	1 687	2 190
Cash in transit	196	62
Allowance for expected credit losses	(8)	-
	22 874	8 701

Cash and cash equivalents represent amounts denominated in Bulgarian leva.

Cash on hand is non-interest-bearing, while cash in bank accounts is interest-bearing at a floating rate. During the year ending on 31.12.2024 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 2024	31 December 2023
Receivables from customers for microloans granted, gross	262 852	252 942
Receivables from customers under granted guarantees, gross	19 349	17 877
Expected credit loss	(108 482)	(99 840)
Microloans granted, net	173 719	170 979
<i>Current</i>	<i>173 719</i>	<i>170 979</i>

Collateral

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 2024	31 December 2023 (restated)
Granted trade loans to related parties, incl. accrued interest	166 925	127 828
Expected credit loss	(4 443)	(3 456)
Individually significant loans granted, net	162 482	124 372
<i>Current</i>	<i>16 293</i>	<i>5 449</i>
<i>Non-current</i>	<i>146 189</i>	<i>118 923</i>

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:

2024	2023
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Balances as of 01 January	(3 456)	(6 466)
Impairment loss for the year	(2 000)	-
Reintegrated impairments during the year	122	3 010
Reintegrated impairment of a sold subsidiary	891	-
Balance as of 31 December	(4 443)	(3 456)

12. Other assets

	31 December 2024	31 December 2023
Inventory	53	72
Advances paid	1 403	1 877
Investments in joint ventures	1 102	-
Trade and other receivables	39 819	15 701
Total, including:	42 377	17 650
<i>Current</i>	<i>41 275</i>	<i>17 650</i>
<i>Non-current</i>	<i>1 102</i>	<i>-</i>

As of 31.12.2024, under Trade and other receivables in the amount of BGN 39,819 thousand the Group presents:

- ✓ BGN 16,093 thousand BGN mainly related to receivables under guarantees, receivables under settlement and other receivables;
- ✓ BGN 23,726 thousand BGN trade receivables and receivables under assignments from related parties outside the EAM Group, details of which are disclosed in explanatory note 26.3. to these consolidated financial statements.

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13. Property, plant and equipment

	Computers	Lands, buildings, equipment, office furniture and others	Under construction	Total
Acquisition cost				
As of 01.01.2023	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
Additions	493	153	170	816
Disposals	(659)	(1 083)	-	(1 742)
As of 31.12.2024	2 827	4 992	170	7 989
Accumulated depreciation				
As of 01.01.2023	(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)
Depreciation charge	(507)	(485)	-	(992)
Eliminated on disposals	653	1 057	-	1 710
As of 31.12.2024	(2 254)	(3 981)	-	(6 235)
Carrying amount				
As of 31.12.2024	573	1 011	170	1 754
As of 31.12.2023	593	1 369	-	1 962
As of 01.01.2023	548	1 360	-	1 908

As of 31.12.2024 the carrying amount of other assets included in the column Lands, buildings, equipment, office furniture and others amounts to BGN 252 thousand.

Collateral and pledges

As of 31.12.2024 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 31.12.2024 the Group's management has performed a revaluation test of property, plant and equipment.

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14. Intangible assets

	Software	Patents, licenses and others	Under development	Total
Acquisition cost (restated)				
As of 01.01.2023	2 719	1 804	1 231	5 754
Additions	3 208	2	986	4 196
Disposals	(4)	(1 308)	(716)	(2 028)
As of 31.12.2023(restated)	5 923	498	1 501	7 922
Additions	1 478	71	814	2 363
Disposals	(474)	(1)	(1 309)	(1 784)
As of 31.12.2024	6 927	568	1 006	8 501
Accumulated depreciation (restated)				
As of 01.01.2023	(2 433)	(1 142)	-	(3 575)
Depreciation charge	(991)	(4)	-	(995)
Eliminated on disposals	2	659	-	661
As of 31.12.2023 (restated)	(3 422)	(487)	-	(3 909)
Depreciation charge	(1 557)	(41)	-	(1 598)
Eliminated on disposals	474	-	-	474
As of 31.12.2024	(4 505)	(528)	-	(5 033)
Carrying amount				
As of 31.12.2024	2 422	40	1 006	3 468
As of 31.12.2023	2 501	11	1 501	4 013
As of 01.01.2023	286	662	1 231	2 179

15. Right-of-use assets

	Offices and vehicles	Total
Acquisition cost		
As of 01.01.2023	10 454	10 454
Additions	17 252	17 252
Disposals	(7 838)	(7 838)
As of 31.12.2023	19 868	19 868
Additions	2 554	2 554
Disposals	(3 390)	(3 390)
As of 31.12.2024	19 032	19 032
Accumulated depreciation		
As of 01.01.2023	(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)
Depreciation charge	(5 850)	(5 850)
Eliminated on disposals	2 992	2 992
As of 31.12.2024	(11 567)	(11 567)
Carrying amount		
As of 31.12.2024	7 465	7 465
As of 31.12.2023	11 159	11 159
As of 01.01.2023	3 715	3 715

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<i>Amounts recognized in profit and loss</i>	2024	2023
Right-of-use asset depreciation expense	(5 851)	(5 313)
Interest expense on the lease liability	(489)	(427)

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 deductible temporary differences and unused tax loss carryforwards as follows:

	Unused vacations	Employee Benefits	Other	Total
As of January 01, 2023	115	136	4 469	4 720
(Expense)/Income on the statement of comprehensive income	64	10	(3694)	(3 620)
As of December 31, 2023	179	146	775	1 100
(Expense)/Income on the statement of comprehensive income	49	(23)	10	36
As of December 31, 2024	228	123	785	1 136

17. Borrowings

	Average interest rate	Term	31 December 2024	31 December 2023
Bank loans	7%	2026	16 027	9 836
Loans from related parties	12%	2027	32 969	12 972
Loans from P2P investors	10%	2026	56 899	27 867
Other creditor	2%	2025	-	170
Total, including:			105 895	50 845
<i>Current</i>			<i>92 762</i>	<i>39 152</i>
<i>Non-current</i>			<i>13 133</i>	<i>11 693</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 2024	31 December 2023
Short term part	5 012	2 308
Long term part	3 340	9 513
	8 352	11 821

19. Trade and other payables

Notes	31 December 2024	31 December 2023
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Payables to suppliers		19 684	12 387
Liabilities to personnel and social security	19.1	14 428	13 703
Provisions for guarantees given		1 412	3 649
Tax liabilities other than corporation tax		1 002	1 253
Liabilities under contracts for the assignment of overdue loans		48	-
Other liabilities		4 304	9 359
Trade and other payables, including:		40 878	40 351
<i>Current</i>		<i>39 856</i>	<i>39 557</i>
<i>Non-current</i>		<i>1 022</i>	<i>794</i>

19.1. Liabilities to personnel and social security

	31 December 2024	31 December 2023
Payables to the personnel, including:	11 057	10 610
Current remuneration liabilities	7 680	7 280
Current liabilities for unused leave	2 355	2 536
Long-term liabilities to personnel on retirement	1 022	794
Social security payables, including:	3 371	3 093
Current liabilities	3 371	3 093
Total	14 428	13 703

20. Share capital

As of December 31, 2024 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, 2024. The majority owner of the Group is Management Financial Group AD with 88.47%, and the remaining shares are owned by individuals.

21. Reserves

21.1. Statutory reserve

The statutory reserve is formed from profits of Parent company as required by the Commercial Law. During the reporting year ending on December 31, 2024, the amount of statutory reserve of the Parent Company did not change compared to the previous year and amounted to BGN 15,910 thousand.

21.2. Foreign exchange reserve

	2024	2023
Balance as of 01 January	(1 408)	(1 248)
Foreign exchange differences on translation of foreign operations	(860)	(160)
Balance as of 31 December	(2 268)	(1 408)

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22. Retained earnings

	2024	2023
Balance as of 01 January	213 793	165 938
Profit for the year	25 176	53 016
Change of holdings in subsidiaries	604	(3 161)
Dividends paid	(2 000)	(2 000)
Balance as of 31 December	237 573	213 793

23. Changes in liabilities resulting from financing activities

	01.01.2024	Cash flows from financing activities	Changes of a non- monetary nature	31.12.2024
Borrowings	50 845	23 356	31 694	105 895
Lease liabilities	11 821	(3 453)	(16)	8 352
	62 666	19 903	31 678	114 247

	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

24. Subsidiaries

- Easy Credit LLC (Ukraine)-100%, established in 2008. 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 31.12.2024 the capital is in the amount of 14,970 thousand BGN. The Group consolidates the company.
- SC Easy Asset Management IFN AD (Romania)-100%, established in 2011. The subsidiary 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 31.12.2024 the capital of the Romanian company is BGN 5,770 thousand, equivalent to EUR 2,950 thousand (13,722 thousand lei). The Group consolidates the company.
- Ai Credit SP.Z.O.O. (Poland) – 100% , 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

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Group consolidates the company.

- Easy Payment Services EOOD (Bulgaria) - 99.60%, 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 31.12.2024 the registered capital is in the amount of 14,900 thousand BGN. The Group consolidates the company.

- Financial Bulgaria EOOD, (Bulgaria) – 100%
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. The Group consolidates the company.

- Financial company M Cash Macedonia LLC Skopje, (Macedonia) – 100%
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 1000 thousand euro. The Group consolidates the company.

- Easy Individual Solutions F.D.M.D. (Mexico), established in 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 2024, the company did not carry out any commercial activity. The Group consolidates the company.

- Easy Asset Services EOOD, (Bulgaria) – 100%
In 2020, the Company purchased 100% of the shares of Easy Asset Services EOOD ("Subsidiary"), established in 2008. The Subsidiary Company is registered in accordance with the legislation of the Republic of Bulgaria and its subject of action is asset management. The value of the shares at the time of purchase is 5 thousand. BGN , and with a non-monetary contribution (capitalization of a loan) the capital reaches 13,405 thousand BGN. In August 2024, the company was sold to Management Financial Group AD. The Group consolidates the company.

- Easy Asset Management LLC, (Albania) – 100%
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). The company was liquidated in 2024. The Group consolidates the company.

- Easy Asset Management Iberia SL, (Spain) – 100%
In 2022, Easy Asset Management AD entered the Spanish market with its subsidiary Easy Asset Management Iberia SL. The subsidiary is registered in accordance with the legislation of Spain. The value of the registered capital is 3 thousand euros (equivalent to 6 thousand BGN). The Group

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consolidates the company.

- Access Finance Sp z.o.o., (Poland) – 100%

In 2024, the Company purchased from Access Finance AD 100% of the shares of Access Finance Sp z.o.o., Poland (“Subsidiary”), established in 2023. The Subsidiary is registered in accordance with Polish legislation and regulatory requirements for non-banking financial institutions. The value of the registered capital is PLN 200 thousand. The Group consolidates the company.

24.1 Non-controlling interest

	2024	2023
Balance as of 01 January	38	27
Profit / (loss) for the year	61	17
Other components of comprehensive income	4	(4)
Increase/ (decrease) in holdings in subsidiaries	5	(2)
Balance as of 31 December	108	38

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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 2024	31 December 2023 (restatement)
Cash and cash equivalents	22 874	8 701
Microloans granted	173 719	170 979
Individually significant loans granted	162 482	124 372
Other assets	42 377	17 650
	401 452	321 702

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 2024	Stage 1	Stage 2	Stage 3	Total
Performing	23 808	-	-	23 808
Up to 30 days past due	40 114	2 588	1	42 703
31 - 90 past due	-	12 560	230	12 790
Over 90 days past due	-	196	202 704	202 900
Total	63 922	15 344	202 935	282 201

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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

As of 31 December 2024

	Stage 1	Stage 2	Stage 3	Total
Receivables, gross	63 922	15 344	202 935	282 201
Impairment	(6 466)	(7 084)	(94 932)	(108 482)
Receivables, net	57 456	8 260	108 003	173 719

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

Receivables, gross

2024 year

	Stage 1	Stage 2	Stage 3	Total
Balance as of 01 January 2024	73 796	18 920	178 103	270 819
Transfer to stage 1	(9 065)	(457)	(267)	(9 789)
Transfer to stage 2	(1 189)	(3 280)	(31)	(4 500)
Transfer to stage 3	(1 587)	(270)	9 858	8 001
Acquired financial assets	54 269	11 170	27 089	92 528
Collected receivables	(52 302)	(10 739)	(11 817)	(74 858)
Balances as of 31 December 2024	63 922	15 344	202 935	282 201

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	23 384	103 404
Collected receivables	(34 695)	(6 419)	(26 350)	(67 464)
Balances as of 31 December 2023	73 796	18 920	178 103	270 819

Impairment of receivables

2024 year

	Stage 1	Stage 2	Stage 3	Total
Balance as of 1 January 2024	(5 186)	(7 796)	(86 858)	(99 840)
Transfer to stage 1	(57)	252	184	379
Transfer to stage 2	238	1 689	22	1 949
Transfer to stage 3	317	148	(8 329)	(7 864)
Acquired financial assets	(4 345)	(5 904)	(22 989)	(33 238)
Collected receivables	2 567	4 527	23 038	30 132
Balances as of 31 December 2024	(6 466)	(7 084)	(94 932)	(108 482)

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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)	(33 024)	(44 477)
Collected receivables	1 110	2 301	51 080	54 491
Balances as of 31 December 2023	(5 186)	(7 796)	(86 858)	(99 840)

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 2024	31 December 2023 (restated)
Performing	166 270	126 209
Doubtful	-	-
Impaired	655	1 619
Total	166 925	127 828

	31 December 2024	31 December 2023 (restated)
Receivables, gross	166 925	127 828
Impairment	(4 443)	(3 456)
Receivables, net	162 482	124 372

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, 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.

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.

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As of 31 December 2024

	Carrying amount	Contractual cash flows					Total
		Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	
Financial liabilities							
Borrowings	105 895	-	56 899	24 246	26 979	-	108 124
Lease liabilities	8 352	13	702	4 368	5 577	10	10 670
Trade payables	19 684	19 684	-	-	-	-	19 684
	133 931	19 697	57 601	28 614	32 556	10	138 478

As of 31 December 2023

	Carrying amount	Contractual 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

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 fair value is that of a change in the value of a financial instrument 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 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 valuation of personnel, and other types of controls.

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E. Fair value of the financial assets and liabilities

The determination of fair value of financial instruments that are traded in active markets is based on market prices or quotes from dealers. 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 occurring market transactions. If the above criteria are not met, the market is considered to be inactive.

For all other financial instruments, fair value is determined by 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 contractual 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 term 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 2024</i>		<i>As of 31 December 2023</i> <i>(restated)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>	<i>Fair value</i>
Financial assets				
Cash and cash equivalents	22 874	22 874	8 701	8 701
Microloans granted	173 719	173 719	170 979	170 979
Individually significant loans granted	162 482	162 482	124 372	124 372
Other assets	42 377	42 377	17 650	17 650
Total financial assets	401 452	401 452	321 702	321 702
Financial liabilities				
Borrowings	105 895	105 895	50 845	50 845
Lease liabilities	8 352	8 352	11 821	11 821
Trade payables	19 684	19 684	12 387	12 387
Total financial liabilities	133 931	133 931	75 053	75 053

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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 2024**:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Financial assets				
Cash and cash equivalents	22 874	-	-	22 874
Microloans granted	-	-	173 719	173 719
Individually significant loans granted	-	-	162 482	162 482
Other assets	-	-	42 377	42 377
Financial liabilities				
Borrowings	-	-	105 895	105 895
Lease liabilities	-	-	8 352	8 352
Trade payables	-	-	19 684	19 684

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 to individuals	-	-	170 979	170 979
Individually significant loans granted	-	-	124 372	124 372
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

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 Leverage (the ratio between net debt capital and total capital) as of December 31, 2024 and December 31, 2023 is as follows:

	31 December 2024	31 December 2023 (restated)
Total debt capital	155 655	103 798
Less: Cash and cash equivalents	(22 874)	(8 701)
Net debt capital	132 781	95 097
Equity	259 620	236 753
Total capital	392 401	331 850
Leverage	0.34	0.29

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.

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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. Unless otherwise stated, transactions with related parties were not carried out under special conditions.

26.1. Composition of related parties

<i>Name of the company</i>	<i>Relationship type</i>
Management Financial Group AD	Parent company
Smart Asset Services Ltd	Company under common control
Easy Asset Management DOO, Serbia	Company under common control
Access Finance AD	Company under common control
AXI Finance IFN S.A., Romania	Company under common control
Access Finance SL, Spain	Company under common control
Access Finance Inc, USA	Company under common control
Access Asset Management, SA de CV, Mexico	Company under common control
Iuvo OOD	Company under common control
Iuvo Group OU, Estonia	Company under common control
Iuvo Credit OU, Estonia	Company under common control
Iuvo Finance OU, Estonia	Company under common control
Viva Credit AD	Company under common control
New Pay EAD	Company under common control
Express Pay Ltd	Company under common control
Smart Innovative Technologies Ltd	Company under common control
Fintrade Finance AD	Company under common control
Flexible Financial Solutions TOV, Ukraine-in liquidation	Company under common control
Seewines AD	Company under common control
Seewines Logistics Ltd	Company under common control
Seewines Spirit AD	Company under common control
Liquid Dreams Ltd	Company under common control
Colline Albelle SA, Italy	Company under common control
Agency for control of outstanding debts AD	Company under common control
Agency for Control of Outstanding Debt SRL, Romania	Company under common control
Agency for Control of Overdue Claims AKDP DOOEL, North Macedonia	Company under common control
Insurance Company Instinct AD	Company under common control
Insurance brokerage company M BROKER AD, North Macedonia	Company under common control
MFG Microcredit Ghana Limited	Company under common control
Miafora Ltd, Cyprus -in liquidation since 16.08.2024.	Company under common control
MFG Digital Limited, UK	Company under common control
April Services Ltd	Company under common control
MFG Partners EOOD	Company under common control
Sofia Fin-invest Private Limited, India	Company under common control
MFG Invest AD	Company under common control
Aya Equestrian Centrer AD	Company under common control
Chapeau AD	Company under common control
Icredit Inc. USA	Company under common control
Funding Alliance AD	Company under common control
Brezel Digital Assekuradeur GmbH, Germany	Company under common control
AYA MFG Inc., USA	Company under common control
Chiron Management AD	Company under common control through key management personnel
11235 OOD	Company under common control through key management personnel

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

<i>Related party</i>	<i>Type of transaction</i>	2024	2023
Sales			
Management Financial Group AD	Loan interest	4 047	2 732
Fintrade Finance AD	Loan interest	185	185
Agency for control of outstanding debts AD	Loan interest	832	881
Iuvo OOD	Loan interest	105	129
Access Finance AD	Loan interest	74	534
AXI Finance IFN S.A.	Loan interest	867	18
April Finance EAD	Loan interest	-	300
Express Pay Ltd	Loan interest	34	34
Smart Innovative Technologies Ltd	Loan interest	52	77
Viva Credit Ltd	Loan interest	175	59
Smart Asset Services Ltd	Loan interest	120	528
Easy Asset Management d.o.o.	Loan interest	342	116
Seewines AD	Loan interest	198	-
11235 OOD	Loan interest	9	-
Fintrade Finance AD	Sale of fixed assets	1	-
Insurance brokerage company M BROKER AD, North Macedonia	Services provided	394	-
Viva Credit Ltd	Services provided	90	85
Agency for control of outstanding debts AD	Services provided	7	2
Sofia Fin-invest Private Limited, India	Services provided	4	-
Access Finance AD	Services provided	3 116	2 860
AXI Finance IFN S.A.	Services provided	2 100	1 078
Access Finance SL	Services provided	690	485
Iuvo OOD	Services provided	2	1
New Pay AD	Services provided	-	1
Fintrade Finance AD	Services provided	5	5
Insurance Company Instinct AD	Services provided	5 179	2 479
Management Financial Group AD	Sale of a company	615	-
Agency for control of outstanding debts AD	Cession	19	704
		19 262	13 293
Purchases			
Management Financial Group AD	Loan interest	-	282
Fintrade Finance AD	Loan interest	(99)	(149)
Access Finance AD	Loan interest	(77)	(132)
Easy Asset Services EOOD-merged into SAS EOOD in 2024	Loan interest	(266)	-
Smart Asset Services EOOD – SAS EOOD	Loan interest	(13)	-
Management Financial Group AD	Hired services	(698)	(440)
Viva Credit Ltd	Hired services	(66)	(26)
Iuvo Group OU	Hired services	(1 334)	(939)
Access Finance AD	Hired services	(2 952)	(1 647)
AXI Finance IFN S.A.	Hired services	(35)	-
Easy Asset Services EOOD-merged into SAS EOOD in 2024	Hired services	(142)	-
Smart Asset Services EOOD – SAS EOOD	Hired services	(1 215)	(1 358)
Smart Innovative Technologies Ltd	Hired services	(452)	(320)
11235 OOD	Hired services	(581)	-
Easy Asset Management d.o.o.	Hired services	(88)	-
Chiron Management AD	Hired services	(379)	(411)
Express Pay Ltd	Hired services	-	(1)
Seewines AD	Hired services	(185)	(167)
Seewines Spirit AD	Hired services	(21)	(13)
Seewines Logistics Ltd	Hired services	(5)	(6)
IUVO Finants	Hired services	(4)	-
Insurance Company Instinct AD	Hired services	(28)	-
		(8 640)	(5 327)

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26.3. Related party balances

Related party	Type of balance	31 December 2024		
		Receivables gross	Impairment	Receivables net
Receivables				
Management Financial Group AD	Loans granted	120 183	(1 581)	118 602
Viva Credit Ltd	Loan granted	3 735	(69)	3 666
Fintrade Finance AD	Loan granted	2 081	(32)	2 049
Agency for control of outstanding debts AD	Loan granted	13 138	(904)	12 234
11235 OOD	Loan granted	327	(3)	324
Seewines AD	Loan granted	5 597	(133)	5 464
AXI Finance IFN S.A.	Loan granted	15 356	(235)	15 121
Express Pay OOD	Loan granted	655	(655)	-
M BROKER AD, North Macedonia	Loan granted	743	-	743
Agency for Control of Overdue Claims AKDP				
DOOEL, North Macedonia	Loan granted	10	-	10
Easy Asset Management d.o.o.	Loan granted	4 204	(96)	4 108
Trade loans granted and interest (note 11)		166 029	(3 708)	162 320
Agency for control of outstanding debts AD	Cession	1 003	-	1 003
Agency for Control of Overdue Claims AKDP				
DOOEL, North Macedonia	Cession	362	-	362
Management Financial Group AD	Sale of a subsidiary	615	-	615
Access Finance SL	Services granted	1 153	-	1 153
AXI Finance IFN S.A.	Services granted	5	-	5
Access Finance SL	Services granted	48	-	48
Viva Credit AD	Services granted	9	-	9
Fintrade Finance AD	Services granted	1	-	1
Agency for control of outstanding debts AD	Services granted	54	-	54
M BROKER AD, North Macedonia	Services granted	9	-	9
Sofia Fin-invest Private Limited, India	Services granted	4	-	4
Iuvo OOD	Services granted	1	-	1
New Pay AD	Services granted	1	-	1
Iuvo Finance OU, Estonia	On loans received from p2p investors	19 774	-	19 774
Access Finance SL	Settlement claims	1 336		1 336
Axi Finance IFN S.A.	Overpayment claims	87		87
Other assets (note 12)		24 462	-	24 462
Total receivables		190 491	(3 709)	186 782

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Related party	Type of balance	31 December 2023 (restated)		
		Receivables, gross	Impairment	Receivables, net
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
Agency for control of outstanding debts OOD	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
Insurance brokerage company M BROKER AD, North Macedonia	Loan granted	352		352
Domenia Finance EOOD	Loan granted	658	(658)	-
Trade loans granted and interest (note 11)		127 867	(3 575)	124 292
Agency for control of outstanding debts OOD	Cession	22	-	22
Access Finance Ltd	Services graned	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
Agency for control of outstanding debts OOD	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	Tangible fixed assets	71	-	71
Access Finance SL	Settlement Claims	1 827	-	1 827
Axi Finance IFN S.A.	Overpayment Claims	25	-	25
Other assets (note 15)		5 961	-	5 961
Total receivables		133 828	(3 575)	130 253

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<i>Related party</i>	<i>Balance type</i>	31 December 2024	31 December 2023
Liabilities			
Fintrade Finance AD	Loan received	-	1 688
Smart Asset Services Ltd	Loan received	5 140	-
Access Finance AD	Loan received	3 583	1 002
<i>Borrowings from related parties (Note 17)</i>		8 723	2 690
Management Financial Group AD	Hired services	555	384
Viva Credit Ltd	Hired services	116	131
Agency for control of outstanding debts AD	Hired services	28	-
Access Finance AD	Hired services	9 341	6 635
AXI Finance IFN S.A.	Hired services	1 800	513
Access Finance SL	Hired services	19	31
11235 OOD	Hired services	71	-
Easy Asset Management d.o.o.	Hired services	88	53
Iuvo Group OJ	Hired services	134	1 207
Smart Asset Services Ltd	Hired services	364	325
Insurance Company Instinct AD	Hired services	137	316
M BROKER AD, Macedonia	Hired services	64	-
<i>Trade and other liabilities (Note 19)</i>		12 717	9 595
Total liabilities		21 440	12 285

The remuneration of key management personnel for 2024 amounts to BGN 4,533 thousand (2023: BGN 2,876 thousand).

The amount of outstanding loans given to management personnel as of December 31, 2024 is BGN 1 thousand. (as of December 31, 2023: BGN 1 thousand).

The outstanding balances at the end of the year 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, 2024.

28. Subsequent events

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these consolidated financial statement relates and the date of this report, which are related to Group's activity during the reporting period and which should be separately disclosed or require changes to the financial statements.

On 17.03.2025, Easy Asset Management AD concluded an agreement for the acquisition of a controlling interest in Easy Asset Management d.o.o., Croatia. The management expects the transaction to be finalized within the year 2025 and the activities on the territory of the Republic of Croatia to expand.

On 08.05.2025 a change in the composition of the Board of Directors was entered in the Parent Company's account in the Commercial Register.

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29. Financial statements approval

The consolidated annual financial statement as of December 31, 2024. (including comparative information) was approved for issuance by the Board of Directors of the Parent Company on September 29, 2025.