VIVA CREDIT AD
Activity Report
Independent Auditor's Report
Financial Statements

For the year ending on 31 December 2024

VIVA CREDIT AD

ACTIVITY REPORT

For the year ending on 31 December 2024

Management presents its Financial Statements for the year ending on 31 December 2024, prepared in accordance with International Financial Reporting Standards accounting standards as adopted by the European Union ("IFRS accounting standards as adopted by the EU"). These Financial Statements has been audited by MGI Delta OOD.

CORPORATE INFORMATION

"Viva Credit" AD was established as a commercial company on 30.03.2012. The company's registered office and management address are: city of Sofia, district of Sofia city, municipality of Stolichna, district of Lyulin, gh. Lyulin 7, Jawaharlal Nehru Blvd No 28, ATC "Silver Center", fl. 2, appt. office 73G. Viva Credit AD is represented and managed by Konstantin Ivanov Kostadinov.

The company is a financial institution within the meaning of the Law on Credit Institutions (LKI), entered under number BGR00277 in the Register of Credit Institutions on the basis of Order RD22-0857/27.04.2012. Effective from 01.06.2012, "Viva Credit" AD offers its financial services - money loans - to the quick credit market. Every month there is a growth in the number of granted cash loans, different in type and size. The Company's financial services are offered both on-site in various commercial establishments and via the Internet.

At the beginning of 2023 the company started a procedure under the Commercial Law to change its legal form from a limited liability company to a joint-stock company. After the successful completion of the conversion procedure, starting from 12.04.2023. "Viva Credit" is a joint-stock company with UIC 207343548 (old UIC 201995287)

As of 31.12.2024 "Viva Credit" has a one-tier management system and a Board of Directors consisting of:

1. Konstantin Ivanov Kostadinov – Executive Director and member of the Board of Directors
2. Apostol Ustianov Mushmov – member of the Board of Directors
3. Management Financial Group AD – member of the Board of Directors

As of April 9, 2025, a change in the composition of the Board of Directors was registered in the Commercial Register, with the management of the company being assumed by a five-member Board, which includes Niya Nedelchova Spasova and Ivan Stanimirov Vasilev.

As of the date of this activity report, the share capital is distributed in the form of the following shares:

- 1 issue - privileged, available, registered with the right to vote, right to an additional dividend, nominal value BGN 1.
- 2854999 pieces - ordinary, available, registered with the right to vote, nominal value BGN 1.

As of 31.12.2024 the Company's share capital amounts to BGN 2,855 thousand. It is distributed as follows:

Management Financial Group AD	BGN 2,832,600
Ivelina Tsankova Kavurska	BGN 2,800
Petar Blagovestov Damyanov	BGN 2,800
Tsvetan Petkov Krastev	BGN 2,800
Apostol Ustianov Mushmov	BGN 2,800
Angel Vassilev Madjirov	BGN 2,800
Martin Staykov Yanev	BGN 1,400

Radostin Yuriev Bogdanov	BGN 1,400
Blagovest Yordanov Vitanov	BGN 1,400
Maria Stavreva Velkova	BGN 1,400
Pravda Georgieva Baremova	BGN 1,400
Gergana Milkova Dimitrova	BGN 1,400

The Company's equity as of December 31, 2024 amounts to BGN 15,328 thousand (according to carrying amount). Its components are fixed capital in the amount of BGN 2,855 thousand, statutory reserves in the amount of BGN 286 thousand, retained earnings from previous years in the amount of BGN 4,912 thousand, BGN 11 thousand reserve actuarial profit/loss-other comprehensive income and current profit BGN 7,264 thousand.

The income from the main activity (income from interest, fees and commissions) for 2024 is in the amount of BGN 35,719 thousand, i.e. with BGN 9,512 thousand more compared to 2023. / BGN 26,207 thousand/ . In 2024, the Company's assets increased by BGN 5,954 thousand compared to 2023 / BGN 27,158 thousand at the end of 2024 against BGN 21,204 thousand at the end of 2023 /. This is mainly due to an increase in receivables under granted loans, a decrease in the impairment of receivables and the amount of non-performing loans.

As of 31.12.2024, the Company's liabilities are in the amount of BGN 11,830 thousand compared to BGN 7,548 thousand for 2023.

In 2023, "Viva Credit" AD strengthens its position on the market and gains a larger market share compared to previous years. The personnel structure of the Company has increased compared to 2023/201 people/ Employees as of December 31 of the reporting year 2024 are 207 people. The company has a well-developed and flexible commercial structure. The internal company procedures and processes, necessary for the effective management of the activities of "Viva Credit" AD, are systematically updated so that they meet the legal requirements. As a result of all these changes, the quality and speed of customer service has increased.

In 2025, the main aspiration of the Company will be to preserve the stability of the financial parameters, increase the collection of the granted loans, improve the quality of the loan portfolio, achieve an adequate profit from the activity, through which to support its capitalization, as well as optimal capital adequacy.

Legal status. Capital and management, including information required under Art. 187 e and 247 of the Commercial Law.

In 2024, no contracts were concluded with the company by the members of the Board of Directors or persons related to them, which go beyond the usual activities of the company or significantly deviate from market conditions.

The members of the Board of Directors do not have special rights to acquire shares and bonds of the company.

The members of the board of directors do not participate in commercial companies as unlimited partners. Information about holdings of more than 25 percent of the capital of other companies, as well as participation in the management of other companies or cooperatives as procurators, managers or board members, is disclosed below.

1. Konstantin Ivanov Kostadinov, Executive Director and member of the Board of Directors
Does not hold more than 25 percent of the capital of other companies. Participates in the management of:
   - New Pay EAD - UIC 206470432 – member of the Board of Directors

2. Apostol Ustianov Mushmov , member of the Board of Directors

Does not hold more than 25 percent of the capital of other companies and does not participate in their management.

3. Management Financial Group AD – member of the Board of Directors
Holds more than 25 percent of the capital in the following companies:

	Name of the company	UIC	%
1	Easy Asset Management AD	131576434	88.62
2	Smart Asset Services Ltd.	201389179	100.00
3	Viva Credit AD	207343548	99.41
4	Access Finance AD	207140327	75.69
5	Express Pay Ltd.	202813549	100.00
6	Seewines AD	202972213	99.70
7	Smart Innovative Technologies Ltd.	203068866	100.00
8	Fintrade Finance AD	203429537	64.40
9	Iuvo Group OU (Estonia)	14063375	96.59
10	Agency for Control of Outstanding Debts AD	207172780	85.00
11	MFG Micro-Credit Ghana Limited (Ghana)	CS257312017	90.00
12	Liquid Dreams Ltd.	205188992	98.00
13	MFG Partners EOOD	205658146	100.00
14	MFG Invest AD	207055357	88.93
15	Flexible Financial Solutions TOV - in liquidation (Ukraine)	42953538	100.00
16	April Services Ltd.	205969592	91.00
17	Miafora Limited (Cyprus)	HE 411879	100.00
18	EASY ASSET MANAGEMENT DOO Beograd-Novi Beograd (Serbia)	21617075	100.00
19	Iuvo Ltd.	206251285	96.59
20	MFG Digital Limited (UK)	14000244	100.00
21	Insurance brokerage company M BROKER AD Skopje (N. Macedonia)	7594232	100.00
22	SOFIA FIN-INVEST PRIVATE LIMITED (India)	ABJCS9900N	98.00
23	Insurance company INSTINCT AD	207335761	98.34
24	Brezel Digital Assekuradeur GmbH	HRB 292303	50.00
25	Icredit Inc.	20243809397	100.00
26	Funding Alliance EAD	208007365	100.00
27	GoldTrust Management AD	208178302	50.00

Management Financial Group AD participates in the management of the following companies:

Company – name	UIC	Role
Access Finance AD	207140327	Member of the Board of Directors
Fintrade Finance AD	203429537	Member of the Board of Directors
Agency of Control of Outstanding Debt AD	207172780	Member of the Board of Directors

Research & Development activities
The company does not have R&D activities.

Branches of the Company

As of 31.12.2024, the Company has the following branches in the country:
UIC of branch: 2073435480081
Branch company: Viva Credit - Vratsa branch

UIC of the branch: 2073435480077
Branch company: Viva Credit - Veliko Tarnovo branch

UIC of branch: 2073435480062
Branch company: Viva Credit - Sliven branch

Branch UIC: 2073435480058
Branch company: Viva Credit - Stara Zagora branch

Branch UIC: 2073435480043
Branch company: Viva Credit - Varna branch

UIC of the branch: 2073435480039
Branch company: Viva Credit - Plovdiv branch

UIC of the branch: 2073435480024
Branch company: Viva Credit - Burgas branch

UIC of the branch: 2073435480016
Branch company: Viva Credit - Pleven branch

Information under Art. 39, item 8 of the Accounting Act:

"Viva Credit" AD maintains a positive balance in relation to its assets and liabilities, payable within 1 month. It should be noted that in order to attract new customers and stimulate sales to old ones, the Company takes a number of measures such as promotional conditions, the possibility of renegotiating the conditions (amount and term) and others.

Regarding the price (interest) risk, the Company adheres to a policy - assets and liabilities have a fixed interest rate. Credit risk is managed by applying strict and conservative principles for securing loans and evaluating collateral, as well as by allocating provisions for impairment.

After the annual accounting closing, no events occurred that could have a significant impact on the Company's activities.

Planned development of the Company

The Company's strategy is to provide sustainable solutions for the respective needs of selected groups of customers. In the Bulgarian market, this means providing only a certain number of products and services, as local customers have needs that can be covered by traditional credit products. The development intentions in 2025 are mainly aimed at improving profitability, the Company's market positions and the quality of the loan portfolio and the professional growth of the staff. In the coming year, "Viva Credit" AD will strive to consolidate and expand its positions on the credit market - mainly retail lending. The Company's loan portfolio is composed of properly secured loans granted to reliable borrowers after extensive and thorough analysis and research. In this regard, the Company will maintain its orientation towards seeking such borrowers, or in short:

Priority in 2025 for "Viva Credit" AD is:

- Confirmation of the Company as a leader in the quick loans market and its positioning as a non-bank financial organization with the best developed own sales network;
- Increasing the portfolio as the number, amounts and varieties of financial services provided (cash loans);

- Improving collectability from the wallet;
- Building new programs to attract more customers;
- Search and supply of new products bringing higher financial results.
- Qualification growth of staff for more effective product offering.

Subsequent events

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

On April 9, 2025, a change in the composition of the Board of Directors was registered in the Commercial Register, with Niya Nedelchova Spasova and Ivan Stanimirov Vasilev being added.

Management's Responsibilities

The management of VIVA CREDIT AD has prepared the financial statements for the year 2024, which gives a true and fair view of the state of the Company at the end of the year and its accounting results. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) accounting standards, as adopted by the EU.

The management confirms that it has consistently applied an adequate accounting policy and that in the preparation of the financial statements as of December 31, 2024, the principle of prudence has been observed in the evaluation of assets, liabilities, income and expenses.

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

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

Konstantin Kostadinov
Executive Director

Date: May 19, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Viva Credit AD
ID Nr: 207343548
Sofia, Bulgaria

Opinion

We have audited the financial statements of Viva Credit AD („the Company"), which comprise the statement of financial position as of December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying 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 as 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 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 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.

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Additional Matters to be Reported under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the management report, 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 annual activity report referring to the financial year for which the financial statements have been prepared is consistent with those financial statements.
(b) The annual activity report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

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

May 19, 2025
Sofia

VIVA CREDIT AD
STATEMENT OF COMPREHENSIVE INCOME
For the year ending on 31 December 2024
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	2024	2023
Interest, fee, and penalty revenue		33,870	25,600
Interest and fee expenses		(622)	(273)
Net income from interest, fees, and penalties	3	**33,248**	**25,327**
Other operating income, net	4	2,039	979
Impairment of financial assets, net	9, 10	(16,030)	(14,019)
Employee benefits expense	5	(6,483)	(5,265)
General administrative and other operating expenses	6	(4,700)	(4,176)
Profit before tax		**8,074**	**2,846**
Income tax expense	7	(810)	(293)
Profit for the year		**7,264**	**2,553**
Other comprehensive income			
Components of other comprehensive income that cannot be reclassified to profit or loss			
Actuarial gains / (losses)		8	(10)
Total other comprehensive income for the year		**8**	**(10)**
Total comprehensive income for the year		**7,272**	**2,543**

The notes form an integral part of these financial statements
These financial statements were approved by the Board of Directors on May 19, 2025.

Executive Director

Konstantin Kostadinov

Preparer

Krasimir Krastev

In accordance with the Independent Auditor's Report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov
Manager and engagement partner

19-05-2025

VIVA CREDIT AD
STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	8	841	792
Microloans granted to individuals	9	19,246	14,765
Individually significant loans granted	10	4,641	4,219
Property, plant and equipment	11	77	65
Intangible assets	12	36	39
Right-of-use assets	13	1,407	426
Investments in subsidiaries	14	50	-
Other assets	15	843	888
Deferred tax assets	16	17	10
TOTAL ASSETS		**27,158**	**21,204**
LIABILITIES AND EQUITY			
LIABILITIES			
Borrowings	17	7,896	5,770
Lease liabilities	18	1,422	431
Trade and other payables	19	2,275	1,260
Income tax liability		237	87
TOTAL LIABILITIES		**11,830**	**7,548**
EQUITY			
Registered capital		2,855	2,855
Reserves		297	3
Retained earnings		12,176	10,798
TOTAL EQUITY	20	**15,328**	**13,656**
TOTAL LIABILITIES AND EQUITY		**27,158**	**21,204**

The notes form an integral part of these financial statements
These financial statements were approved by the Board of Directors on May 19, 2025.

Executive Director

Konstantin Kostadinov

Preparer

Krasimir Krastev

In accordance with the Independent Auditor's Report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov
Manager and engagement partner

19 -05- 2025

VIVA CREDIT AD
STATEMENT OF CHANGES IN EQUITY
For the year ending on 31 December 2024
(All amounts are in thousands of BGN, unless otherwise stated)

	Registered capital	Statutory reserves	Reserve of actuarial gains and losses	Retained earnings	Total Equity
Balance on January 1, 2023	**2,855**	**-**	**13**	**13,190**	**16,058**
Total comprehensive income for the year, including	-	-	*(10)*	*2,553*	*2,543*
Profit for the year	-	-	-	2,553	2,553
Other comprehensive income for the year	-	-	(10)	-	(10)
Transactions with owners reported directly in equity	-	-	-	*(4,945)*	*(4,945)*
Dividends paid	-	-	-	(4,945)	(4,945)
Balance on 31 December 2023	**2,855**	**-**	**3**	**10,798**	**13,656**
Total comprehensive income for the year, including	-	-	*8*	*7,264*	7,272
Profit for the year	-	-	-	7,264	7,264
Other comprehensive income for the year	-	-	8	-	8
Transactions with owners reported directly in equity	-	*286*	-	*(5,886)*	*(5,600)*
Formation of statutory reserves	-	286	-	(286)	-
Dividends paid	-	-	-	(5,600)	(5,600)
Balance on 31 December 2024	**2,855**	**286**	**11**	**12,176**	**15,328**

The notes form an integral part of these financial statements
These financial statements were approved by the Board of Directors on May 19, 2025.

Executive Director

Konstantin Kostadinov

Preparer

Krasimir Krastev

In accordance with the Independent Auditor's Report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov
Manager and engagement partner

19-05-2025

VIVA CREDIT AD
STATEMENT OF CASH FLOWS
For the year ending on 31 December 2024
(All amounts are in thousands of BGN, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities			
Payments on microloans granted to individuals		(31,890)	(29,550)
Proceeds from repayment of microloans granted to individuals		47,053	42,091
Payments on individually significant loans		(6,519)	(8,200)
Proceeds from repayment of individually significant loans		240	45
Payments related to personnel		(6,340)	(4,865)
Proceeds from customers		3,832	289
Payments to suppliers		(7,298)	(3,217)
Payment of corporate tax		(667)	(568)
Net other proceeds / (payments) for operating activities		(289)	159
Net cash flows from operating activities		**(1,878)**	**(3,816)**
Cash flows from investing activities			
Acquisitions of fixed assets		(45)	(42)
Acquisition of investments in subsidiaries		(50)	-
Net cash flows from investing activities		**(95)**	**(42)**
Cash flows from financing activities			
Repayments of lease liabilities		(672)	(640)
Proceeds from borrowings		2,736	4,391
Repayments of borrowings, including interest		-	(212)
Dividends paid		(42)	(37)
Net cash flows from financing activities		**2,022**	**3,502**
Net increase/ (decrease) in cash and cash equivalents		**49**	**(356)**
Cash and cash equivalents at the beginning of the year		**792**	**1,148**
Cash and cash equivalents at the end of the year	8	**841**	**792**

The notes form an integral part of these financial statements
These financial statements were approved by the Board of Directors on May 19, 2025.

Executive Director

Konstantin Kostadinov

Preparer

Krasimir Krastev

In accordance with the Independent Auditor's Report:
MGI Delta LLC, audit firm Nr 177

Vladimir Kolmakov
Manager and engagement partner

19 -05- 2025

1. General information

1.1 Legal Status

"Viva Credit" AD, UIC: 201995287 (the "Company") is registered as a limited liability company in the city of Sofia. The headquarters and address of the Company's management are: Sofia, Lyulin 7, Jawaharlal Nehru Blvd. No. 28, ATC Silver Center block , 2nd floor, apartment office 73G.

The company is represented by Executive Director.

1.2 Business activity

"Viva Credit" AD is a financial institution within the meaning of the Law on Credit Institutions (LKI), entered under number BGR00277 in the Register of Credit Institutions based on Order RD22-0857/27.04.2012. The company's subject of activity is: Provision of cash loans with own funds, according to the Law on Credit Institutions.

2. Accounting policy

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

Although since August 2024 Viva Credit AD has held an investment in a subsidiary, the management has chosen to apply the exemption from the preparation of consolidated financial statements in accordance with the requirements of IFRS 10 Consolidated Financial Statements.
The parent company, Management Financial Group AD, prepares and presents consolidated financial statements in accordance with IFRS accounting standards as adopted by the EU, which are publicly available at the website: mfg.bg.

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

2.1 Basis for preparation of the Financial statements

These financial statements have been prepared, in all material respects, 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" essentially represents the national accounting basis defined as the International Accounting Standards (IAS) adopted by the EU, as regulated by the Accounting Act and specified in item 8 of its Supplementary Provisions.

2.1.1 Comparative data

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

2.1.3 Degree of Liquidity and Maturity Structure

The Company presents its statement of financial position generally by degree of liquidity. An analysis of the settlement of liabilities is presented in Note 22.B.2. An analysis of the recovery of assets or settlement of liabilities within twelve months after the reporting date of the statement of financial position (current) and more than twelve months after the reporting date of the statement of financial position (non-current) is presented in the notes to the financial statements.

2.1.4. Changes in accounting policy and errors

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

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

2.1.5 New Standards and Clarifications

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

The Company is applying for the first time the following standards and amendments that are effective for annual periods beginning on or after 1 January 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 ISMS 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 and amended standards issued by the IASB but not yet 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 Company expects that the adoption of these new standards, amendments to existing standards and new clarifications will not have a material effect on the Company's financial statements in the period of their initial application.

2.2 Foreign Currency Transactions

(a) *Functional currency and presentation currency*

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

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

(b) *Transactions and Balances*

Transactions in foreign currency are transformed into functional currency, applying the official exchange rate of the Bulgarian National Bank for the relevant day. Gains and losses from changes in exchange rates arising as a result of payments for transactions in foreign currency, as well as from revaluation at the closing exchange rate of assets and liabilities denominated in foreign currency are recognized in the income statement.

The gain and loss from foreign currency transactions that relate to receivables and cash are presented in the income statement as "finance income or expense". All other gains and losses are presented in the income statement as 'other (losses)/gains - net.

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

	December 31 2024 BGN	December 31 2023 BGN
1 US dollar is equal to	1.88260	1. 76998
1 euro is equal to	1.95583	1.95583

2.3 Recognition of revenue and expenses

Interest revenue 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 revenue and expenses are reported as "interest revenue" and "interest expense" in the financial statement , using the effective interest rate method. It is a method of calculating the amortized cost of a financial asset or financial liability and allocating the interest income or interest expense for the relevant period. The effective interest rate is the interest rate that accurately discounts the estimated future cash flows for the life cycle of the financial instrument, or when necessary – a shorter period, relative to the net carrying amount of the financial asset or financial liability.

In calculating the effective interest rate, the Company estimates cash flows that take into account all contractual terms of the financial instrument (eg prepayment options), but does not take into account future credit losses. The calculation includes all fees and commissions paid or received between the parties to the contract that form an integral part of the effective interest rate, transaction costs and all other premiums and discounts given or received.

Revenue from and expenses for fees and commissions

Revenues from fees and commissions are accrued at the time the service is provided. Fees received for providing services for a specified period of time are accrued within that period of time. Fees for loan liabilities that are most likely to be withdrawn and other credit-related charges are deferred (together with any additional costs) and recognized by changing the effective interest rate on the loan. Dividends are reported as income in the statement of comprehensive income after the right to receive them has been established.

Revenue 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.

Revenue from ceded receivables

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

Revenue from contracts with customers

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

- if the performance obligation is satisfied at a specific point in time ("point in time"), the related revenue is recognized in profit or loss when the service is provided,
- if the performance obligation is satisfied over time, the related revenue is recognized in profit or loss to reflect the progress of the performance of such obligation.

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

1. Identifying the contract with a customer
2. Identification of performance obligations
3. Determining the price of the transaction
4. Allocation of transaction price to performance obligations
5. Revenue recognition when performance obligations are satisfied.

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

2.4 Financial Instruments

Classification

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

A financial asset is classified as measured at amortized cost if the following conditions are met:

- The financial asset is held within a business model that aims to collect the agreed cash flows, and
- The contractual terms of the financial asset give rise, on certain dates, to cash flows that are only payments of principal and interest on the principal balance.

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

A financial asset is classified as measured at fair value through other comprehensive income if the following conditions are met:

- The financial asset is held within a business model whose purpose is to collect the contractual cash flows and sell, and
- The contractual terms of the financial asset give rise to payments on specified dates of cash flows that are only payments of principal and interest on the principal balance.

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

Initial recognition

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

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

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

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

Subsequent valuation

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

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

Depreciated value is equal to:

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

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

Fair value measurement

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

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

Impairment

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

The impairment loss is equal to the expected credit losses for 12 months (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 over the life of the instrument could, in some cases, be based only on qualitative information or only on quantitative information. In other cases, both qualitative and quantitative information are taken into account to determine the transfer criterion.

Impairment of receivables from individually significant loans granted

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

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

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

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

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

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

(a) Quantitative criteria

- An increase in the lifetime probability of default (PD) of the financial asset at the reporting date compared to the lifetime probability of default at the date the asset was first recognized in the amount of 30%;
- The debtor is in arrears for more than 180 days, but less than 365 days, except for cases where the credit period could reach up to and over 2 years due to the financial specifics of the debtor;
- Actual or expected significant adverse changes in the debtor's operating results, above the permissible range of change, as measured by the debtor's key financial and operating indicators.

(б) Qualitative criteria:

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

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

The Company 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 credit period could reach up to and 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 economic environment, measured by a serious decline in the debtor's main financial and operational indicators;
- The debtor reports a series of losses and negative net assets;

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

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

- PD represents the probability that the obligor will not fulfill its financial 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 predictable macroeconomic factors . Also, the company's management has performed a historical analysis and identified the main economic variables affecting the credit risk and expected credit losses for each individually significant loan receivable.

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

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

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

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

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

Financial liabilities

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

Loans from P2P investors

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

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

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

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

Offsetting of financial instruments

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

2.5 Cash and cash equivalents

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

2.6. Investments in subsidiaries

Long-term investments representing shares in subsidiaries are presented in the financial statements at acquisition cost, which represents the fair value of the consideration paid, including direct acquisition costs, less any accumulated impairment losses.

The investments in subsidiaries held by the Company are subject to impairment review. If indicators of impairment are identified, an impairment loss is recognized in the statement of comprehensive income (in profit or loss for the year).

Investments in subsidiaries are derecognized when the rights associated with them are transferred to third parties upon the occurrence of the legal grounds for such transfer, resulting in the loss of control over the economic benefits from the respective investment. The gain or loss on disposal is presented under "finance income" or "finance costs" in the statement of comprehensive income (in profit or loss for the period).

2.7. Property, plant and equipment

Initial recognition

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

Subsequent valuation

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

Depreciation methods

The company uses the straight-line method of amortization 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 from the future expectations for the period of use of the assets, the same is adjusted prospectively.

Subsequent expenses

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

Impairment of assets

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

Gains and losses on sale

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

2.8 Intangible Assets

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

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

The carrying amount of intangible assets is subject to review for impairment when events or changes in circumstances occur that indicate that the carrying amount of the assets could exceed their recoverable amount. The impairment is then included as an expense in the statement of comprehensive income (in profit or loss for the year).

Expenses related to the maintenance of intangible assets are capitalized only when the future economic benefit of the asset increases. All other expenses are recognized in the statement of comprehensive income (in profit or loss for the year).

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

2.9 Lease

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

Lessee

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

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

a) right-of-use assets

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

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

- the amount of the initial measurement of the lease liability;
- lease payments made on or before the commencement date, less any incentives received under the lease agreements;
- the initial direct expenses incurred by the Company in its capacity as a lessee;
- recovery costs to be incurred by the Company for dismantling and removing the underlying asset, restoring the site on which the asset is located, or restoring the underlying asset to the condition required under the contract.

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

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

Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets, applying a policy for determining and accounting for impairment similar to that for property, plant and equipment. The recoverable amount of right-of-use assets is the higher of fair value less costs to sell or value in use. To determine the asset's value in use, 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 under Property, plant and equipment in the statement of financial position, and their depreciation under Depreciation expense in the statement of comprehensive income.

b) lease liabilities

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

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

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

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

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

Lease liabilities are presented on separate lines in the statement of financial position: "Lease liabilities - non-current part" - the non-current part of the liabilities, "Lease liabilities - current part" - the current part of the liabilities.

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

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

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

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

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

2.10 Income Taxes

Current income taxes

Current taxes on the Company's profit are determined in accordance with the requirements of the Bulgarian tax legislation - the Law on Corporate Income Taxation. The nominal tax rate for 2024 is 10% (2023: 10%).

Deferred income taxes

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

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

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

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

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

As of December 31, 2024, the Company's deferred tax assets and liabilities are assessed at a rate of 10% (December 31, 2023: 10%).

2.11 Employee benefits

Short term benefits

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

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

The amount of current staff earnings resulting from unused leave is calculated as the sum of each employee's unused days of paid leave multiplied by the daily rate of their gross salary.

Long term benefits

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

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

2.12 Provisions

Provisions are recognized when:

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

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

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

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

2.13 Equity

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

According to the requirements of the Commercial Law and the statute, the Company is obliged to form a "reserve fund", as the sources of the fund can be:

- at least one-tenth of the profit, which is allocated until the funds in the fund reach one-tenth of the share capital or a larger part, determined by a decision of the General Meeting of Shareholders;
- the funds received above the nominal value of the shares upon their issuance (premium reserve);
- other sources provided for by decision of the General Meeting of Shareholders.

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

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

2.14 Distribution of Dividends

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

2.15 Related Parties

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

2.16 Significant accounting estimates, judgements, and assumptions when applying the accounting policy

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

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

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

- Impairment of receivables – note 2.4
- Recognition of deferred tax assets – note 2.10
- Recognition of right-of-use asset and lease liability - note 2.9
- Fair value measurement – note 2.4

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

3. Net income from interest, fees and penalties

	2024	2023
Interest revenue	8,271	7,255
Fee revenue	25,599	18,345
Interest, fee, and penalty revenue	**33,870**	**25,600**
Interest expense on leases	(44)	(14)
Interest expense on trade loans	(176)	(59)
Interest expenses on loans from P2P platforms	(309)	(129)
Expenses for fees and commissions	(93)	(69)
Others	-	(2)
Interest and fee expenses	**(622)**	**(273)**
Net income from interest, fees and penalties	**33,248**	**25,327**

4. Net other operating income

	2024	2023
Income from ceded receivables	1 388	891
Cost of ceded portfolio	(1,562)	(1,059)
Services income	428	517
Income from insurance commissions and fees	1 756	467
Other income	29	163
	2 039	**979**

5. Personnel expenses

	2024	2023
Salaries and benefits	(5,172)	(4,285)
Social security	(906)	(764)
Social benefit expenses	(391)	(209)
Expenses for liabilities to personnel on retirement	(14)	(7)
	(6,483)	**(5,265)**

6. General administrative and other operating expenses

	2024	2023
Advertising and marketing	(1,320)	(1,354)
Depreciation and Amortization expenses	(683)	(614)
Debt Collection and Lawsuits	(320)	(328)
Telecommunication and postal expenses	(256)	(277)
Consumables, incl. electrical energy	(300)	(221)
Commission contracts	(492)	(288)
Expenses for CRC	(239)	(182)
Consulting, legal services	(93)	(122)
Repair and technical support	(86)	(121)
Transport and business trips	(100)	(65)

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

Representative and unrelated to the activity	(69)	(65)
Office security	(52)	(87)
Rent cars	(43)	(54)
Insurances	(21)	-
Other operating expenses	(626)	(398)
Total	**(4,700)**	**(4,176)**

On the line Other operating expenses in note 6 General administrative and other operating expenses in the amount of BGN 626 thousand, the Company presents the following items: software rental - BGN 218 thousand, audit expenses - BGN 18 thousand, card maintenance – 69 thousand, expenses for staff training and recruitment - 96 thousand and other expenses - BGN 225 thousand.

7. Income tax expense

	2024	2023
Profit before tax	8,074	2,846
Tax rate	10%	10%
Expected income tax expense	(808)	(284)
Tax effect from increases and decreases in the financial result for tax purposes	(9)	(3)
Current income tax expense	**(817)**	**(287)**
Deferred income taxes related to the occurrence and reversal of temporary differences	7	(6)
Total income tax expense reported in the Statement of Comprehensive Income	**(810)**	**(293)**

8. Cash and cash equivalents

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

	December 31, 2024	December 31, 2023
Cash in bank accounts	642	601
Cash on hand	207	184
Cash on the way	(8)	7
	841	**792**

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

9. Microloans granted to individuals

	December 31, 2024	December 31, 2023
Unsecured receivables from customers under granted microloans, gross	31,996	23,144
Secured receivables from customers under granted microloans, gross	3,111	3,002
Expected credit loss	(15,861)	(11,381)
Total microloans granted, incl.	**19,246**	**14,765**
Current	*19,246*	*14,765*

The change in Expected credit loss for receivables from customers on granted microloans is as follows:

	2024	2023
Balance as of January 1	**(11,381)**	**(13,690)**
Impairment loss for the year	(15,564)	(13,994)
Impairment reversal during the year	141	4
Written-off receivables	10,943	16,351
Balance as of December 31	**(15,861)**	**(11,381)**

10. Individually significant loans granted

	December 31, 2024	December 31, 2023
Granted trade loans to companies, incl. accrued interest	3,515	3,514
Granted trade loans to related parties, incl. accrued interest	1,768	740
Expected credit loss	(642)	(35)
Total individually significant loans granted, incl.	**4,641**	**4,219**
Current	*3,515*	*3,514*
Non-current	*1,126*	*705*

The change in Expected credit loss for receivables on granted individually significant loans is as follows:

	2024	2023
Balance as of January 1	(35)	(6)
Impairment loss for the year	(607)	(29)
Balance as of December 31	**(642)**	**(35)**

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

11. Property, plant and equipment

	Computers	Office furniture	Costs of acquisition of NTA	Total
Acquisition cost				
As of 01.01.2023	302	175	11	477
Additions	31	11	-	42
Disposals	-	(4)	-	(4)
Transfers	-	11	(11)	-
As of 31.12.2023	**333**	**182**	**-**	**515**
Additions	40	5	-	45
Disposals	(111)	(18)	-	(129)
As of 31.12.2024	**262**	**169**	**-**	**431**
Accumulated depreciation				
As of 01.01.2023	(265)	(139)	-	(404)
Depreciation charge	(38)	(10)	-	(48)
Eliminated on disposals	-	2	-	2
As of 31.12.2023	**(303)**	**(147)**	**-**	**(450)**
Depreciation charge	(23)	(10)	-	(33)
Eliminated on disposals	111	18	-	129
As of 31.12.2024	**(215)**	**(139)**	**-**	**(354)**
Carrying amount				
As of 31.12.2024	**47**	**30**	**-**	**77**
As of 31.12.2023	**30**	**35**	**-**	**65**
As of 01.01.2023	**37**	**36**	**-**	**73**

The carrying amount of fully depreciated property, plant and equipment that are still in use is as follows:

		31.12.2024
Machinery and equipment	206	103
Computer equipment	208	105
		208

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

12. Intangible assets

	Software	Capitalized development costs	Total
Acquisition cost			
As of 01.01.2023	369	33	402
Additions	-	-	-
As of 31.12.2023	369	33	402
Additions	-	-	-
Disposals	(81)	-	**(81)**
As of 31.12.2024	**288**	**33**	**321**
Accumulated amortization			
As of 01.01.2023	(360)	-	(360)
Amortization charge	(3)	-	(3)
As of 31.12.2023	**(363)**	-	**(363)**
Amortization charge	(3)	-	(3)
Eliminated on disposals	81	-	81
As of 31.12.2024	**(285)**	-	**(285)**
Carrying amount			
As of 31.12.2024	**3**	**33**	**36**
As of 31.12.2023	**6**	**33**	**39**
As of 01.01.2023	**9**	**33**	**42**

The carrying amount of fully amortised intangible assets that are still in use is as follows:

	31.12.2024
Software products	26
Other	243
	269

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

13. Right-of-use assets

	Buildings	Total
Acquisition cost		
As of 01.01.2023	1,927	1,927
Additions	433	433
Disposals	(1,666)	(1,666)
As of 31.12.2023	694	694
Additions	2,005	2,005
Disposals	(744)	(744)
As of 31.12.2024	**1,955**	**1,955**
Accumulated depreciation		
As of 01.01.2023	(1,102)	(1,102)
Depreciation charge	(736)	(736)
Eliminated on disposal	1,570	1,570
As of 31.12.2023	**(268)**	**(268)**
Depreciation charge	(647)	(647)
Eliminated on disposal	367	367
As of 31.12.2024	**(548)**	**(548)**
Carrying amount		
As of 31.12.2024	**1,407**	**1,407**
As of 31.12.2023	**426**	**426**
As of 01.01.2023	**825**	**825**

Amounts recognized in profit and loss	2024	2023
Right-of-use asset amortization expense	647	736
Interest expense on the lease liability	(44)	(14)
Expenses related to short-term rentals	-	-
Expenses related to the lease of low-value assets	-	-

14. Investments in subsidiaries

In August 2024, the company acquired 100% ownership interest in New Pay EAD for the amount of BGN 50,000, which has been recognized as an investment in subsidiaries.

15. Other assets

	December 31, 2024	December 31, 2023
Ceded receivables	418	203
Receivables under guarantees	80	76
Trade receivables	58	47

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

Advances paid	65	90
Other receivables	222	472
Total other assets, incl.	**843**	**888**
Current	*843*	*888*

On line Other receivables in note 15 Other assets, in the amount of BGN 222 thousand, the Company presents: BGN 161 thousand - settlements with partners, BGN 21 thousand - overpaid total income tax, BGN 20 thousand – prepaid expenses and BGN 20 thousand - other assets.

16. Deferred tax assets

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

	Unused paid leaves	Staff income	Others	Total
As of January 01, 2023	12	3	-	15
(Expense)/income on the income statement	1	1	(6)	(4)
As of January 01, 2024	13	4	(6)	11
(Expense)/income on the income statement	4	1	1	6
As of December 31, 2024	17	5	(5)	17

17. Borrowings

	Average interest rate	Term	December 31, 2024	December 31, 2023
Easy Asset Management AD	5%	2028	3,735	3,559
P2P investors	9.04%	2025	3,949	2,211
Iuvo Credit OU	4%	2028	212	-
Total, including:			**7,896**	**5,770**
Current			*4,191*	*2,211*
Non-current			*3,705*	*3,559*

The exposure to Iuvo Credit OU is in the form of a revolving credit facility with an authorized limit of up to EUR 10 million.

18. Lease liabilities

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

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

Maturity structure of the lease liability	**December 31, 2024**	**December 31, 2023**
Non-current part	742	205
Current part	680	226
	1,422	**431**

19. Trade and other payables

	December 31, 2024	**December 31, 2023**
Liabilities to personnel and social security	724	658
Trade payables	105	324
Tax liabilities other than income tax	25	18
Other liabilities	1,421	260
Total trade and other payables, incl.	**2,275**	**1,260**
Current	*2,229*	*1,220*
Non-current	*46*	*40*

On the line Other liabilities in note 19 Trade and other payables, in the amount of BGN 1,421 thousand, the Company presents: BGN 1,223 thousand - settlements with partners (BGN 1,143 thousand – settlements with Iuvo Group OU, BGN 80 thousand – settlements with Instinct AD), BGN 80 thousand - received deposit (guarantee) IUVO Services, BGN 11 thousand – insurance liabilities, BGN 60 thousand - expenses for the current period invoiced in the subsequent period, BGN 37 thousand - liabilities to AKPZ for returned assigned receivables, and other payables – BGN 10 thousand.

Liabilities to personnel and social security

	December 31, 2024	**December 31, 2023**
Payables to the staff, including:		
Current remuneration liabilities	405	397
Current liabilities for unused leave	134	97
Long-term payables on defined employee benefit plans	46	40
	585	**534**
Social security liabilities, including:		
Current liabilities	139	124
	139	**124**
Total	**724**	**658**

Long-term payables on defined employee benefit plans

	2024	**2023**
Present value of liabilities on January 1	40	23
Current service cost	12	5
Interest expense	2	2
Retirement benefits paid during the period	-	-
Actuarial (profit) / loss for the period	(8)	10
Present value of liabilities on December 31	46	40

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

The significant assumptions used in determining retirement benefit obligations are shown below:

	2024	**2023**
Discount rate	4%	4.5%
Future increase in remuneration	5%	6%

Average maturity of retirement benefit obligations is 16.6 years.

The table below presents a sensitivity analysis of the significant assumptions as of 31 December 2024, calculated using a method that extrapolates the effect on the retirement benefit obligations, subject to a reasonable change in the underlying assumptions at the end of the reporting period.

Significant assumptions	**Variance**	**Absolute effect**	**Relative effect**
Discount rate	+0.50%	1	-9%
Discount rate	-0.50%	(1)	+9%
Reward	+0.50%	3	+9%
Reward	-0.50%	(3)	-9%

The expected payments in relation to the obligations for retirement benefits are as follows:

	Estimated Payments
Payments in 2025	2
Payments in 2026	1
Payments in 2027	1
Payments in 2028	1
Payments in 2029	1

20. Equity

The registered capital of the Company consists of 2,855,000 shares with a nominal value of BGN 1 per share. The shares are as follows.

- ✓ 1 number - privileged, available, registered with the right to vote, the right to an additional dividend and a nominal value of BGN 1.
- ✓ 2,854,999 shares - ordinary, available, registered with voting rights and nominal value BGN 1.

Retained earnings

	December 31, 2024	**December 31, 2023**
Retained earnings from previous periods	4,912	8,245
Current profit	7,264	2,553
	12,176	**10,798**

The changes in equity in 2024 are as follows:

- Reported profit for the period in the amount of BGN 7,264 thousand.

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

- The general meeting of shareholders has decided to distribute a dividend in the amount of BGN 5,600,000, which is a profit for 2023 of BGN 2,553 and BGN 3,047 from previous years. The receipt of Management Financial Group AD, for the voted dividend in the amount of BGN 5,556,000, has been offset against the company's counter obligation to Viva Credit AD, in the amount of BGN 5,556,000, according to the set-off agreement protocol from 25.09.2024. The rest of the dividend was paid by bank transfer.

Changes in equity in 2023 are as follows:

- Reported profit for the period in the amount of BGN 2,553 thousand.
- The sole owner of the capital has decided to distribute a dividend in the amount of BGN 4,945 thousand, which is profit for 2022. 3,658 and 1,287 from previous years. The dividend is by bank transfer.

Reserves

The Company forms statutory reserves in accordance with the requirements of the Commercial Act in the amount of BGN 286 thousand.

Change in the reserve for accumulated actuarial gain/(loss) in equity

	2024	**2023**
Accumulated actuarial gain/(loss) as of January 1	3	-
Actuarial gain/(loss) on the liability recognized in other comprehensive income	8	-
Accumulated actuarial gain/(loss) as of December 31	**11**	**3**

21. Notes to the statement of cash flows

Offsetting transactions

A liability for a voted dividend in 2024 to Management Financial Group AD in the amount of BGN 5,556 thousand has been offset by a claim from Management Financial Group AD for principal and interest on a loan granted.

Changes in liabilities arising from financing activities

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

	01.01.2024	Cash flows from financing activities	Non-monetary changes	31.12.2024
Borrowings	5,770	2,736	(610)	7,896
Lease liabilities	431	(672)	1,663	1,422
	6,201	**2,064**	**1,053**	**9,318**

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

	01.01.2023	Cash flows from financing activities	Non-monetary changes	31.12.2023
Borrowings	1,941	4,179	(350)	5,770
Lease liabilities	844	(640)	227	431
	2,785	**3,539**	**(123)**	**6,201**

22. Financial risk management

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

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

A. Credit risk

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

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

A.1. Credit risk assessment

The assessment of credit risk for the portfolio of micro-loans is done on a portfolio basis and requires the performance of additional calculations of the probability of non-payment at maturity, as well as the related loss rates, correlation dependencies in the portfolio of assets, etc.
For its internal needs, the Company uses its own credit risk measurement and analysis models. These models are periodically reviewed and benchmarked against real-world values, and adjustments are made to baseline variables to optimize model performance. These credit risk measurement procedures are part of the Company's routine operational activity.

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

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

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

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

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

Probability of default is a combination of application assessment and behavioral assessment. A client is considered to be in default when he has not fulfilled his liabilities for more than 90 days or at least one of his exposures has been restructured. During the regular credit risk assessment process, when a persistently late paying customer is identified, it may trigger 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 relevant 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 the Company expects to receive. LGD calculation models for unsecured assets take into account recovery time (customer payments or assignment payments). The loss at default varies widely, depending on the characteristics of the counterparty, the type and structural features of the loan, the availability of collateral or credit support of the debtor.

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

A.2. Credit risk management policy

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

A.3. Maximum exposure to credit risk

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

	Maximum exposure	
	December 31, 2024	**December 31, 2023**
Cash and cash equivalents	841	792
Microloans granted to individuals	19,246	14,765
Individually significant loans granted	4,641	4,219
Other assets	843	888
	25,571	**20,664**

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

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

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

Receivables, gross As of December 31, 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing	7,335	-	-	7,335
Overdue up to 30 days	4,006	-	-	4,006
Overdue from 31 to 90 days	-	3,995	-	3,995
Overdue more than 90 days	-	-	19,771	19,771
Total	**11,341**	**3,995**	**19,771**	**35,107**

Receivables, gross As of December 31, 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing	6,707	-	-	6,707
Overdue up to 30 days	3,840	-	-	3,840
Overdue from 31 to 90 days	-	3,406	-	3,406
Overdue more than 90 days	-	-	12,193	12,193
Total	**10,547**	**3,406**	**12,193**	**26,146**

As of December 31, 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Receivables, gross	11,341	3,995	19,771	35,107
Impairment	(1,631)	(1,632)	(12,589)	(15,861)
Receivables, net	**9,710**	**2,363**	**7,173**	**19,246**

As of December 31, 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Receivables, gross	10,547	3,406	12,193	26,146
Impairment	(842)	(1,646)	(8,893)	(11,381)
Receivables, net	**9,705**	**1,760**	**3,300**	**14,765**

Receivables gross 2024 year	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of January 1, 2024	10,547	3,406	12,193	26,146
Transfer to stage 1	3,149	(2,890)	(259)	-
Transfer to stage 2	(19,356)	20,012	(656)	-
Transfer to stage 3	-	(17,121)	17,121	-
Acquired financial assets	38,178	3,787	6,850	48,815
Settled receivables	(21,177)	(3,199)	(15,478)	(39,854)
Balance as of December 31, 2024	**11,341**	**3,995**	**19,771**	**35,107**

Receivables gross 2023 year	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of January 1, 2023	8,370	2,738	18,500	29,608
Transfer to Stage 1	2,319	(2,083)	(236)	-
Transfer to stage 2	(12,775)	13,260	(485)	-
Transfer to stage 3	-	(10,175)	10,175	-
Acquired financial assets	30,693	2,501	4,718	37,912
Settled receivables	(18,060)	(2,835)	(20,479)	(41,374)
Balance as of December 31, 2023	**10,547**	**3,406**	**12,193**	**26,146**

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

Impairment of receivables 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of January 1, 2024	1,593	1,632	8,156	11,381
Transfer to Stage 1	1,439	(1,272)	(167)	-
Transfer to stage 2	(4,587)	5,000	(413)	-
Transfer to stage 3	-	(9,027)	9,027	-
Acquired financial assets	7,893	6,810	7,432	22,135
Settled receivables	(4,707)	(1,511)	(11,437)	(17,655)
Balance as of December 31, 2024	**1,631**	**1,632**	**12,598**	**15,861**

Impairment of receivables 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as of January 1, 2023	1,064	1,171	11,507	13,742
Transfer to Stage 1	1,131	(961)	(170)	-
Transfer to stage 2	(2,888)	3,217	(329)	-
Transfer to stage 3	-	(5,806)	5,806	-
Acquired financial assets	5,794	5,271	6,934	17,999
Settled receivables	(3,508)	(1,260)	(15,592)	(20,360)
Balance as of December 31, 2023	**1,593**	**1,632**	**8,156**	**11,381**

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

The tables below analyze the credit risk of receivables from customers under granted individually significant loans:

Receivables gross	**December 31, 2024**	**December 31, 2023**
Performing	5,283	4,254
Overdue up to 30 days	-	-
Overdue from 31 to 90 days	-	-
Overdue more than 90 days	-	-
Total	**5,283**	**4,254**

	December 31, 2024	**December 31, 2023**
Receivables, gross	5,283	4,254
Impairment	(642)	(35)
Receivables, net	**4,641**	**4,219**

A.6. Collateral held as security

Part of the microloans granted by the Company to individuals are secured by real estate pledge. The Company's aspiration is that the fair price of the pledge at the date of granting the loan is not lower than the total claim on the loan at its maturity (principal plus interest and fees).

B. Liquidity risk

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

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

B.1. Liquidity risk management policy

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

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

B.2. Maturity analysis of financial liabilities

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

As of December 31, 2024	Carrying amount	Contractual undiscounted cash flows					
		Up to 1 month	1 - 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Financial liabilities							
Borrowings	7,896	-	-	4,306	4,680	-	8,986
Lease liabilities	1,422	61	180	708	567	-	1,516
Trade payables	1,526	1,526	-	-	-	-	1,526
	10,844	**1,587**	**180**	**5,014**	**5,247**	**-**	**12,028**

As of December 31, 2023	Carrying amount	Contractual undiscounted cash flows					
		Up to 1 month	1 - 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Financial liabilities							
Borrowings	5,770	-	-	2,410	4,449	-	6,859
Lease liabilities	431	58	170	213	-	-	441
Trade payables	584	584	-	-	-	-	584
	6,785	**642**	**170**	**2,623**	**4,449**	**-**	**7,884**

C. Market risk

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

C.1 Interest rate risk

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

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

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

As of December 31, 2024

	Variable interest rate	*Fixed interest rate*	*Interest free*	*Total*
Financial assets				
Cash and cash equivalents	-	-	841	841
Microloans granted	-	19,246	-	19,246
Individually significant loans granted	-	4,641	-	4,641
Other assets	-	-	843	843
Total financial assets	-	**23,887**	**1,684**	**25,571**
Financial liabilities				
Borrowings	3,949	3,947	-	7,896
Lease liabilities	-	1,422	-	1,422
Trade payables	-	-	1,526	1,526
Total financial liabilities	**3,949**	**5,369**	**1,526**	**10,844**

As of December 31, 2023

	Variable interest rate	*Fixed interest rate*	*Interest free*	*Total*
Financial assets				
Cash and cash equivalents	-	-	792	792
Microloans granted	-	14,765	-	14,765
Individually significant loans granted	-	4,219	-	4,219
Other assets	-	-	888	888
Total financial assets	-	**18,984**	**1,680**	**20,664**
Financial liabilities				
Borrowings	2,211	3,559	-	5,770
Lease liabilities	-	431	-	431
Trade payables	-	-	584	584
Total financial liabilities	**2,211**	**3,990**	**584**	**6,785**

C.2 Currency risk

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

As of December 31, 2024

	BGN	*Euro*	*Total*
Financial assets			
Cash and cash equivalents	841	-	841
Microloans granted	19,246	-	19,246
Individually significant loans granted	4,641	-	4,641
Other assets	843	-	843
Total financial assets	**25,571**	-	**25,571**
Financial liabilities			
Borrowings	6,627	649	7,896
Lease liabilities	1,422	-	1,422
Trade payables	1,526	-	1,526
Total financial liabilities	**10,195**	**649**	**10,844**

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

As of December 31, 2023

	BGN	*Euro*	*Total*
Financial assets			
Cash and cash equivalents	792	-	792
Microloans granted	14,765	-	14,765
Individually significant loans granted	4,219	-	4,219
Other assets	888	-	888
Total financial assets	**20,664**	-	**20,664**

Financial liabilities	*BGN*	*Euro*	*Total*
Borrowings	5,396	374	5,770
Lease liabilities	431	-	431
Trade payables	584	-	584
Total financial liabilities	**6,411**	**374**	**6,785**

D. Operational risk

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

E. Fair value of financial assets and liabilities

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

For all other financial instruments, fair value is determined using valuation models. Fair values of loans and receivables, as well as liabilities to third parties, are determined using a present value model based on agreed cash flows, taking into account credit quality, liquidity and expenses; their fair value does not differ materially from their net carrying amount. The fair values of contingent liabilities and non-cancellable loan liabilities correspond to their carrying amounts. For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amount is close to their fair value. This assumption also applies to demand deposits and time savings deposits.

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

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

- Level 1 – quotes from active markets for identical financial instruments. This includes listed equity and debt instruments

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

- 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 performing the assessments, the Company takes into account the relevant observable market prices in cases where this is possible.

Fair value of financial instruments:

	As of December 31, 2024		*As of December 31, 2023*	
Financial assets	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Cash and cash equivalents	841	841	792	792
Microloans granted	19,246	19,246	14,765	14,765
Individually significant loans granted	4,641	4,641	4,219	4,219
Other assets	843	843	888	888
Total financial assets	**25,571**	**25,571**	**20, 664**	**20,664**

	As of December 31, 2024		*As of December 31, 2023*	
Financial liabilities	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
Borrowings	7,896	7,896	5,770	5,770
Lease liabilities	1,422	1,422	431	431
Trade payables	1,526	1,526	584	584
Total financial liabilities	**10,844**	**10,844**	**6,785**	**6,785**

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:

	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets				
Cash and cash equivalents	841	-	-	841
Microloans granted	-	-	19,246	19,246
Individually significant loans granted	-	-	4,641	4,641
Other assets	-	-	843	843
Financial liabilities				
Borrowings	-	-	7,896	7,896
Lease liabilities	-	-	1,422	1,422
Trade payables	-	-	1,526	1,526

F. Capital Management

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

The Leverage (the ratio of net debt to total equity) as of December 31, 2024 and December 31, 2023 is as follows:

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

	December 31, 2024	**December 31, 2023**
Total debt capital	11,830	7,548
Less Cash and Cash Equivalents	(841)	(792)
Net debt capital	10,989	6,756
Equity	15,328	13,656
Total capital	**26,317**	**20,412**
Leverage	**0.418**	**0.331**

The company has a legal obligation for a minimum equity capital of BGN 1 million, which as of December 31, 2024 has been met.

The Company's equity consists of registered capital and retained earnings. Summary quantitative data on the composition of the Company's equity capital are disclosed in Note 20.

23. 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.

23.1. List of related parties

Company name	*Type of relationship*
Management Financial Group AD	Parent Company and Member of the Board of Directors
Konstantin Ivanov Kostadinov	Member of the Board of Directors and Executive Director
Apostol Ustianov Mushmov	Member of the Board of Directors
New Pay EAD	Subsidiary
Easy Asset Management AD	Company under common control
Financial Bulgaria Ltd.	Company under common control
April Finance EAD – in liquidation from 10.10.2024	Company under common control
SC Easy Asset Management IFN AD - Romania	Company under common control
Easy Credit LLC – Ukraine	Company under common control
Ai Credit SP.Z.O.O. – Poland	Company under common control
FD Em Cash Macedonia LLC Skopje, Macedonia	Company under common control
Easy Individual Solutions – Mexico	Company under common control
Easy Asset Management d.o.o. , Croatia	Company under common control
Easy Asset Management Iberia - Spain	Company under common control
EASY ASSET MANAGEMENT DOO Beograd-Novi Beograd	Company under common control
EASY INDIVIDUAL SOLUTIONS, SA de CV, SOFOM ENR – Mexico	Company under common control
Access Finance AD	Company under common control
AXI Finance IFN SA, Romania	Company under common control
Access Finance SL, Spain	Company under common control
Access Finance Sp.ZOO, Poland	Company under common control
Access Finance Inc, USA	Company under common control
Access Asset Management, SA de CV, Mexico	Company under common control
Iuvo Ltd.	Company under common control
Iuvo Group OU, Estonia	Company under common control
Iuvo Credit OU, Estonia	Company under common control
Yuvo Finance OU, Estonia	Company under common control

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

Company name	*Type of relationship*
Seewines AD	Company under common control
Seewines Logistics Ltd.	Company under common control
Seewines Spirit AD	Company under common control
Aya Equestrian Centre AD	Company under common control
Chapeau AD	Company under common control
Liquid Dreams OOD	Company under common control
Colline Albelle SA, Italy	Company under common control
Express Pay EOOD	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
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 Outstanding Debt DOOEL, Skopje	Company under common control
Smart Asset Services Ltd.	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
MFG Microcredit Ghana Limited	Company under common control
Miafora Ltd., Cyprus – in liquidation from 16.08.2024	Company under common control
MFG Digital Limited, UK	Company under common control
April Services OOD	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
Insurance brokerage company M BROKER AD Skopje. N. Macedonia	Company under common control
Insurance Company Instinct AD	Company under common control
Icredit Inc. USA	Company under common control
Funding Alliance EAD	Company under common control
Brezel Digital Assekuradeur GmbH	Company under common control
AYA MFG Inc.	Company under common control

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

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

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

Name of the company	*Type of transaction*	**2024**	**2023**
Purchases			
Management Financial Group AD	Services	3	41
Easy Asset Management AD	Loan interest	175	59
Easy Payment Services Ltd.	Purchase of cards	9	14
IUVO GROUP OÜ	Commissions	98	48
Seewines AD	Representative expenses	1	3
Easy Asset Management AD	Services	11	7
Easy Payment Services Ltd.	Services	68	63
Chiron Management AD	Services	119	110
Smart Asset Services Ltd.	Services	73	78
AKPZ AD	Services	-	3
11235 OOD	Services	30	-
		587	**426**

Name of the company	*Type of transaction*	**2024**	**2023**
Sales			
Management Financial Group AD	Loan interest	123	140
Easy Payment Services Ltd.	Commissions	66	26
ZD Instinct AD	Commissions	1,756	467
New Pay EAD	Services	10	-
		1,955	**633**

Name of the company	**2024**		**2023**	
Loans granted	***Principals granted***	***Repaid principals***	***Principals granted***	***Repaid principals***
Management Financial Group AD	5,200	5,438	4,700	3,970
New Pay EAD	1,250		-	-
	6,450	**5,438**	**4,700**	**3,970**

Name of the company	**2024**		**2023**	
Loans received	***Principals received***	***Repaid principals***	***Principals received***	***Repaid principals***
Easy Asset Management AD	-	-	3,500	-
Iuvo Credit OU	212	-		
	212	**-**	**3,500**	**-**

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

23.3. Related parties balances

Name of the company	*Type of balance*	**December 31, 2024**	**December 31, 2023**
Receivables			
Management Financial Group	Loan granted, including interest	508	739
Easy Payment Services Ltd.	Commissions	39	26
AKPZ AD	Cession	418	203
Easy Payment Services Ltd.	Advance payment	55	66
Easy Payment Services Ltd.	Warranty	22	39
New Pay EAD	Loan granted, including interest	1,260	-
New Pay EAD	Settlements	2	-
ZD Instinct AD	Insurances	-	54
		2,304	**1,127**

Name of the company	*Balance type*	**December 31, 2024**	**December 31, 2023**
Payables			
Management Financial Group AD	Services	4	5
Easy Asset Management AD	Loan received	3,500	3,500
Easy Asset Management AD	Loan interest	235	59
Easy Payment Services Ltd.	Services	5	41
Easy Asset Management AD	Services	3	1
ZD Instinct AD	Insurances	80	64
Chiron Management AD	Services	13	13
IUVO GROUP OÜ	Commissions	9	5
IUVO Services EOOD	Security deposit	80	80
Smart Asset Service Ltd.	Services	8	-
11235 Ltd	Services	6	-
IUVO GROUP OÜ	Loan received	212	-
IUVO GROUP OÜ	Trade payables	1,143	-
AKPZ AD	Cessions	37	-
		5,335	**3,768**

The remuneration of the key management personnel for 2024 amounts to BGN 173 thousand (for 2023 – BGN 113 thousand).

Dividends paid during the year are disclosed in explanatory note 20 Equity and explanatory note 21 Note to the statement of cash flows, non-cash transactions section.

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

24. Contingent liabilities

The company is a party (defendant and plaintiff) to legal disputes related to commercial cases. The Company's management, together with the legal advisor, has performed an analysis of the state of litigation and has determined that there are no significant risks that would require the recognition of provisions in the financial statements as of December 31, 2024.

25. Subsequent events

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

On April 9, 2025, a change in the composition of the Board of Directors was registered in the Commercial Register, with Niya Nedelchova Spasova and Ivan Stanimirov Vasilev being added.

26. Approval of the financial statements

The financial statements as of December 31, 2024 (including comparative information) was approved for issuance by the Board of Directors on May 19, 2025.