CASH CREDIT MOBILE EAD
ANNUAL REPORT ON ACTIVITIES
REPORT OF THE INDEPENDENT
AUDITOR ANNUAL FINANCIAL
STATEMENTS
31 DECEMBER 2024

CONTENTS

MANAGEMENT REPORT AS OF 31 DECEMBER 2024

The management presents an annual report on its activities as at 31 December 2024. The information for the 2024 financial year is based on the financial statements of Cash Credit Mobile EAD (the "Company") as at
December 31, 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

MANAGEMENT **REPORT** ON THE ACTIVITIES OF **CASH CREDIT MOBILE** EAD FOR **2024**

Cash Credit Mobile EAD is a non-bank financial institution registered in 2010 with the main activity of providing small and micro loans to individuals and legal entities. The company is registered under Article 3, paragraph 2 of the Credit Institutions Act (CIA) with the Bulgarian National Bank (BNB).
Cash Credit Mobile EAD works in cooperation with Cash Credit EAD, offering micro-loans in all its branches, as well as in a selected number of franchise branches in its network in the country.
The address for registration and correspondence is rp. Sofia, Sveta Troitsa residential district, ul. "Zografski Manastir" No. 15, Entrance F, Floor 6. Shareholders and Management Board

Shareholders and management structure

The distribution of capital as of the date of the annual financial report is as follows: Cash Credit Bulgaria EOOD, UIC 202690609, owns 594,700 (five hundred and ninety-four thousand seven hundred) shares with a nominal value of 10 (ten) leva each, representing 100% of the total paid-in capital as of December 31, 2024.

No treasury shares were acquired or transferred during the year.

In 2024, there were changes in the members of the Management Board and the Supervisory Board. The changes are listed below.
The Supervisory Board consists of the following members:

Plamen Vasilev Petrov Georgi

Boyanov Krumov Hendrik
Hendrik Bremer Plamen

The Management Board consists of the following members:

Velieva Velinova Teneva
Galina Valentinova Radoeva (Miladima Valeriya Laleva (new member as of October 7, 2024)) Zdravko Georgiev Slavchev

As of December 31, 2024, the Company is jointly represented by the two members of the Management Board - Velislava Velinova Teneva and Zdravko Georgiev Slavchev.

The Company has no branches and has not registered any during the year.

OVERVIEW OF ACTIVITIES

Development and results of activities

The complicated international situation related to the tension between Ukraine and the Russian Federation, which led to military action between the countries in February 2022, resulted in the imposition of sanctions and restrictions by the European Union (EU), the US, Canada, the UK, and others against the Russian Federation, the Russian central bank, credit institutions and companies, as well as individuals associated with the events in Ukraine. Inflationary pressure is expected to continue to intensify, with military action and higher commodity prices expected to further exacerbate it. The Company has no significant direct exposure to Ukraine, Russia or Belarus, but the impact on the overall economic situation requires more cautious assumptions and assessments of the business during the current and next financial year.

Management does not expect a direct impact on the Company's future financial position and results of operations.

The main objective for 2025 was to maintain stable levels of economic development in the context of the international situation and rising inflation. The lending business experienced some instability in terms of sales and collections. However, the recovery in 2025 is in line with management expectations and normal levels of business results are expected.

As of December 31, 2024, the Company's gross portfolio before provisions amounted to BGN 13,077 thousand, compared to BGN 12,293 thousand at the end of 2023. Total assets as at 31 December 2024 amounted to BGN 12,589 thousand (2023: BGN 11,875 thousand). For 2024, the Company reports an accounting profit of BGN 519 thousand (2023: profit of BGN 1,094 thousand).

The convenience, accessibility, and speed of the service offered by the Company have made it the preferred choice of end users/customers. Despite the unstable conditions, the Company is trying to implement new ideas and improve the service it offers to make it attractive to customers. Customer satisfaction with the service is high, and the number of customers who use the service repeatedly or multiple times is growing. The Company's management is confident that it will generate profits in the future by increasing efficiency and volume of work. The Company strives for more efficient resource management and increased efficiency in seeking partners for investment in companies in the manufacturing and financial sectors. Customer satisfaction with the service is high, and the number of customers who use the service repeatedly or multiple times is growing steadily.

The company ended 2024 with total operating revenue of BGN 4,017 thousand, which represents a decrease of BGN 581 thousand or 12.63% compared to 2023, when it amounted to BGN 4,598 thousand. In 2024, the Company generated BGN 3,892 thousand in interest income, compared to BGN 4,386 thousand in 2023, or BGN 494 thousand (1%) less than in the previous year. Interest expenses and other loan operations in 2024 amounted to BGN 540 thousand, or BGN 47 thousand more than in 2023.

Interest expenses and other loan operations in 2024 amounted to BGN 540 thousand, or BGN 47 thousand more than in 2023, when they amounted to BGN 493 thousand. The reason for this increase is that in 2024, the Company will increase the level of attracted pecypc used for financing by the Mintos platform.

Net expenses for impairment of loans and receivables in 2024 amount to BGN 68 thousand, which represents a decrease of BGN 307 thousand compared to 2023, when they amounted to BGN 375 thousand, as a result of the timely repayment of the loans granted.

Operating expenses in 2024 amounted to BGN 2,832 thousand compared to BGN 2,514 thousand in 2023, or BGN 318 thousand (11.23%) more. The change is related to additional expenses aimed at improving sales.

The financial result for the reporting year 2024 is a profit of BGN 519 thousand. (2023: BGN 1,094 thousand) and meets the Company's expectations for the business in 2024.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Portfolio

All loans in the portfolio of Cash Credit Mobile EAD in 2024, as well as in 2023, were granted to individuals. The Company's loan portfolio as of December 31, 2024, is well diversified, and loans are granted only to creditworthy borrowers. Nearly a quarter of the loans granted in 2024 are in Sofia, and the rest of the portfolio is distributed across more than 200 locations.

Финансови източници

In 2024, the Company's financing consists of loans and equity. The most significant source of financing for the Company is the Mintos peer-to-peer lending platform.

Credit risk

The Company's credit risk is managed independently for each exposure by analyzing the customer's ability to service their obligations with interest and principal.

A large part of the loans granted by the Company do not lead to a high level of risk due to the collateral provided by the guarantor(s) under the contract. For 2024, the amount of secured loans is BGN 10,396 thousand, and unsecured loans are BGN 2,681 thousand. Cash Credit Mobile EAD prepares individual assessments of the acceptable risk level for its customers under the supervision of the Management Board.

Cash Credit Mobile EAD consistently applies a policy regarding credit risk management. Internal rules adopted by the Management Board have been introduced, which include criteria for finding potential customers and preparing loan offers. An individual analysis is made for each customer, including a check of the customer in various public institutions and registers. The company develops and improves modern "risk assessment models" to identify insolvent and risky customers.

Cash Credit Mobile EAD is exposed to credit risk on unsecured loans, namely that the party to the contract may not be able to pay all its obligations on the due date. Provisions are an estimate of the relative share of this risk (impairment of receivables) that the Company makes.

Currency risk

Based on the currency board and the fixed exchange rate of the lev to the euro, management assesses that the Company is not exposed to significant risk from changes in exchange rates, as there are no transactions in currencies other than the lev and the euro.

Liquidity, solvency, and capital costs

Cash Credit Mobile EAD serviced its financial obligations on time and in full in 2024. The company is fully solvent.

In 2024, Cash Credit Mobile EAD has no liquidity problems. The sources of liquidity in the last two years are cash and receivables under loan agreements (internal and external sources). Due to its flexibility, the most significant source of financing for the Company is the Mintos shared financing platform.

As of the date of this report, the Company has not made any significant commitments for investment

expenses.

Interest rate risk

Cash Credit Mobile EAD is not exposed to interest rate risk and cannot suffer losses as a result of changes in market interest rates. The loans granted by the Company have a fixed interest rate for the entire repayment period. The loans taken by the Company also have a fixed interest rate for the entire repayment period. The Company does not use financial instruments to hedge its interest rate risk.

Financial indicators

Repay ability indicators		**2024**	**2023**
Revenue stability ratio	Financial result/net amount	-0.133	-0.249
Liquidity indicators			
Total liquidity ratio	Current assets/Current liabilities	2.179	2.014
Quick liquidity ratio	Receivables+Investments+Cash/Current Liabilities	2.847	2.695
Financial autonomy indicators			
Financial autonomy ratio	Equity/Liabilities+equity borrowed	0.554	0.600
Debt ratio	capital/Liabilities+equity Equity/Liabilities	0.446	0.400
Financial leverage ratio	Equity/liabilities	0.554	0.600

PLANNED FUTURE BUSINESS POLICIES

Challenging trends

The Company's main efforts will be focused on stabilizing and optimizing the portfolio by applying a conservative approach to risk management of new loans, financing low-risk segments and customers with good credit history, strict discipline with regard to customers in arrears and debt collection.

Cash Credit Mobile EAD will continue to seek additional external financing for the purpose of growing its portfolio, as well as innovative solutions and processes for offering its services.

OTHER IMPORTANT INFORMATION ABOUT THE COMPANY

As of December 31, 2024, the Company has 17 employees (as of December 31, 2023: 17 employees). The human resources policy aims to create a transparent and effective corporate structure in response to the Company's continuous growth.

In 2024, the Company did not carry out any activities in the field of research and development.

Transactions with related parties

The members of the Management Board and the Supervisory Board have not acquired, owned or transferred any shares or bonds of the company during the year. The members of the boards are not entitled to acquire shares and bonds of the company.

The participation of the members of the Supervisory Board and the Management Board of Cash Credit Mobile EAD is as follows:

Supervisory Board:

Ulomsi *Vasilev Pepirov* — 3 G EOOD — sole owner and manager, Investment and Construction Company EOOD — sole owner and manager, IIMB Consula AD — member of the Board of Directors, PP Investment EOOD — manager, PPB Property EOOD — manager, F.O. Consulting OOD — manager and partner; Cash Credit Invest Holding AD—partner and member of the Board of Directors, Cash Credit Mobile EAD—member of the Supervisory Board; Beyond Data Bulgaria OOD — partner, Rila Sport Hotels EOOD — sole owner and manager; Solar SPF EOOD — sole owner and manager, Invest PPGR EOOD — sole owner and manager; Stroy GR EOOD sole owner and manager.

Hendrik Bremer — none;

Georgi Boyanov Krutov - Miltech EOOD - sole owner, GBK Invest EAD- executive director and member of the Board of Directors, GBK EOOD - sole owner and manager, GBK Yachting EOOD — manager, Tquest S.A. Luxembourg — partner, Cash Credit Invest Holding EOOD — executive director and partner, Cash Credit Mobile EAD — member of the Supervisory Board, GBK Properties EOOD — manager, GBK Properties Management EOOD — manager, Cash Credit Bulgaria EOOD — manager, Cash Credit Invest EOOD — manager, St. John the Baptist and Forerunner Foundation
— member of the Management Board, Sozopol Land EOOD — manager, National Tourism Board Association — member of the Management Board; Beyond Data Bulgaria OOD — manager and partner

Management Board:

Teodor Dimitarov Simeonov — member of the Management Board of Cash Credit EAD until February 7, 2024; Beyond Data Bulgaria EOOD — manager (until December 15, 2023);

Veselin Dimitrov Dimitrov — member of the Management Board of Cash Credit EAD until April 12, 2024; Cash Credit Mobile EAD — member of the Management Board until April 12, 2024;

Alisa Valeriya Ivanova - member of the Management Board of Cash Credit EAD until 20 June 2024 - Beyond Data Bulgaria OOD - manager; Cash Credit Mobile EAD - member of the Management Board and Executive Director until June 20, 2024;

Miladima Valeriya Laleva - Cash Credit Mobile EAD - member of the Management Board and Executive Director until October 7, 2024.

CASH CREDIT MOBILE EAD
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Velislava Velinova Teneva - Cash Credit Mobile EAD and Cash Credit EAD - member of the Management Board and Executive Director; Ramnet OOD - partner;

Zdrako Georgiev Slavchev - Cash Credit Mobile EAD and Cash Credit EAD - member of the Management Board and Executive Director;

Galina Valentinova Radoeva - Cash Credit Mobile EAD and Cash Credit EAD - member of the Management Board.

During the year, no contracts were concluded with members of the boards or persons related to them that were outside the normal course of business of the company or significantly deviated from market conditions - Article 240 6, Commercial Act.

MANAGEMENT RESPONSIBILITIES

Under Bulgarian law, management is required to prepare financial statements for each financial year that give a true and fair view of the Company's financial position at the end of the year and its financial results for the year. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Bulgarian law.

Management confirms that it has consistently applied appropriate accounting policies.

The Company uses the Bulgarian lev (BGN) as its reporting (functional) currency. The financial statements as at 31 December 2024 have been prepared in Bulgarian levs.

Management also confirms that it has complied with the applicable International Financial Reporting Standards adopted in the European Union, and the financial statements have been prepared on a going concern basis.

Management is responsible for the proper maintenance of accounting records, the appropriate management of the Company's assets, and the implementation of necessary measures to prevent and detect any abuse and other irregularities.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No adjusting events or other non-adjusting events have occurred after December 31 that would require additional adjustments and/or disclosures in the Company's financial statements for the year ended December 31, 2024.

BESH CREDIT MOBILE EAD
COMPREHENSIVE INCOME STATEMENT
For the year ended December 31, 2024

	Appendix	2024 BGN thousand	2024 BGN thousand
Interest income	4	3,892	4,386
Interest expense	4	(10)	(52)
Interest expense on loans placed on a crowdfunding platform	4	(530)	(441)
Net interest income	4	**3,352**	**3,893**
Expenses for expected credit losses on receivables from loans granted	9	(68)	(375)
Interest income after expected credit loss expenses		**3,284**	**3,518**
Operating expenses	6	(2,832)	(2,514)
Other income	5	125	212
(Loss) Profit before taxes		**577**	**1,216**
Income tax expense	18	(58)	(122)
(Loss) Profit for the year		**519**	**1,094**
Total comprehensive (loss)/income for the year		**519**	**1,094**

The financial report was approved for publication by the Board of Directors on July 21, 2025.

Velislava Teneva
Chief Executive тор

Tsvetelina
Avramova Compiler

Zdrako Slavchev
Executive

КЕШ КРЕДИТ МОБАЙЛ ЕАД * CASH CREDIT MOBILE EAD *

Audit report dated July 30,

0440 Павел Димитров Регистриран одитор

д.е.с., р.о., ПавEl Dimitrov
(0440 fromрeHistory of KPHBO)

CASH CREDIT MOBILE EAD
APPENDICES TO THE ANNUAL FINANCIAL REPORT
31 DECEMBER 2024

	Appendix	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	7	222	267
Receivables from suppliers and customers	8	333	49
Loans and advances to customers	9	12,589	11,875
Inventories	11	54	56
Other assets	10	6	5
Assets with right of use	1	132	7
Vehicles and equipment	1	10	13
Intangible assets	13	47	52
Deferred tax assets	20	5	5
Taxes recoverable	19		5
TOTAL ASSETS		**13,398**	**12,334**
LIABILITIES			
Payables to suppliers and customers	14	82	510
Other financial liabilities	15	5,609	4,236
Lease liabilities	16	135	10
Corporate tax liabilities	21	15	
Other liabilities	17	135	175
TOTAL LIABILITIES		**5,976**	**4,931**
СОЕСТВЕН CAPITAL			
Share capital	19	5,947	5,947
Reserve fund		595	362
Accumulated profits/(losses)		880	1,094
TOTAL EQUITY		**7,422**	**7,403**
Total equity liabilities		**13,398**	**12,334**

The financial report was approved for issuance ~~не от Упр~~by the Board of Directors on July 21, 2025.

Velislava Teneva
Executive

Tsvetelina
Avramova

Zravko Slavchev
Executive

With an audit report dated July 30,

д.е.с., р.о., ПавеL. Dimitrov (0440 from the History of KPHBO)

КЕШ КРЕДИТ МОБАЙЛ ЕАД
CASH CREDIT MOBILE EAD

0440 Павел Димитров
Регистриран одитор

	Shareholders Capital	Accumulated (losses)/ profit	Legal reserves	Total equity
Balance as of January 1, 2023	5,947	362	-	**6,309**
Loss for the year	-	(362)	362	
Total comprehensive loss		1,094	-	**1,094**
Balance as of December 31, 2023	5,947	1,094	362	**7,403**
Balance as at 1 January 2024	**5,947**	**1,094**	**362**	**7,403**
Formation of statutory reserves	-	(233)	**233**	
Profit distribution	-	(500)	-	(500)
Total comprehensive income		519	-	**519**
Balance as of December 31, 2024	**5,947**	**880**	**595**	**7,422**

The financial report was approved for publication by the Management Board on July 21, 2025.

Cash flow from operating activities	**Investments**	2024 BGN thousands	2023 BGN thousands
Proceeds from liquidation		208	322
Payments to staff and suppliers		(2,915)	(1,978)
Corporate tax refunded/(paid)		(43)	(139)
Other taxes paid		(224)	(170)
Revenue from customers			168
Other receipts		84	14
Cash flows from operating activities before changes in operating assets and liabilities		**(2,890)**	**(1,783)**
Changes in operating assets and liabilities Net increase in loans and advances to customers		I ,868	2,905
Net cash flows from operating activities		**(1,022)**	**1,122**
Cash flows from investing activities Purchases of fixed assets	12, 13	(10)	(29)
Net cash flows used in investing activities		**(10)**	**(29)**
Cash flows from financing activities Lease payments			(11)
Proceeds from shared financing platform platform		2,741	1,106
Payments to crowdfunding platform		(1,754)	(2,079)
Net cash flows used in financing activities		**987**	**(984)**
Net change in cash and cash equivalents		**(45)**	**109**
Cash and cash equivalents at the beginning of the year	7	267	158
Cash and cash equivalents at end of the year	7	**222**	**267**

This financial report was approved for publication by the Board of Directors on July 21, 2025.

AUDIT REPORT
Regarding the Annual Financial Report of Cash Credit Mobile EA,D with EIK: 2O237622O, for 2O24

I. Opinion

I performed an audit of the annual financial report of Cash Credit Mo6 EAD, which includes:

- Statement of financial position as at 31 December 2024
- Statement of comprehensive income
- Statement of changes in equity
- Cash Flow Statement
- Notes to the financial statements, including a summary of Significant Accounting Policies

In my opinion, the financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

II. My basis

The audit was conducted in accordance with International Auditing Standards (IAS). My responsibilities under these standards are described in the section "Responsibilities of the auditor in the audit of financial statements" below.

I am confident that the audit evidence I have obtained is sufficient and appropriate to support my opinion.

III. Independence

I am independent of the company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and I have complied with all ethical requirements applicable to the audit.

IV. Management Responsibility

Management is responsible for the preparation and presentation of the financial statements in accordance with MCC, as well as for the internal control it deems necessary to ensure the reliability of the financial information contained therein.

V. Auditor's Responsibility

My objective is to obtain reasonable assurance that 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 my opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that the audit will always detect material misstatements. Misstatements can arise from fraud or error and are considered material if they could influence the economic decisions of users of the financial statements.

X. Auditor's Report

This report has been submitted to the General Meeting of Shareholders of Cash Credit Mobile EAD. The audit information, including additional explanations, is available on my website www.pave1dimitrov.com, in accordance with the requirements of the Accounting Act.

Date: 30.07.2025

Registered auditor 0440
Pavel Dimitrov:

0440 Павел Димитров
Регистриран одитор

CASH CREDIT MOBILE EAD
APPENDIX TO THE ANNUAL FINANCIAL REPORT 31 DECEMBER 2024

1. **General information**

Management Board:
Velislava Velinova Teneva
Zdravko Georgiev Slavchev
Galina Valentinova
Radoeva

Supervisory Board:
Hendrik Bremer Plamen
Vasilev Petrov Georgi
Boyanov Krumov

Registered office and management address:
The company's registered office and management address are as follows: rp. Sofia 1309, Ilinden district, Sveta Troitsa residential area, ul. "Zografski Manastir" No. 15, entrance G, floor 6

Auditor
Bliss Revolution Ltd.
Address:
"B-ti Septemvri" No. 7a, floor 1, office 3
Sofia 1000

Corporate information

Cash Credit Mobile EAD (the Company) is a single-member joint-stock company registered in the Commercial Register with UIC 202376220, with its registered office and address of management at Sofia 1309, Ilinden district, Sveta Troitsa residential area, ul. "Zografski Manastir" No. 15, entrance G, floor 6.

The Company has a two-tier management system — a Management Board and a Supervisory Board. The management of the Company includes its Management Board. The persons responsible for the overall management are represented by the Supervisory Board of the Company.
The company is represented and managed by Velislava ***Velnova*** **Teneva and**
Zdravko Georgiev Slavchev, jointly.

Cash Credit Mobile EAD is a non-bank financial institution registered in 2010. The main activity of the Company includes granting loans with funds that are not raised through public solicitation of deposits or other repayable funds, acquisition of receivables on loans and other forms of financing (factoring, forfeiting, and others).

Cash Credit Bulgaria EOOD, UIC 202690609, owns 594,700 (five hundred and ninety-four thousand seven hundred) shares with a nominal value of 10 (ten) leva each, representing 100% of the total paid-in capital of Cash Credit Mobile EAD as at 31 December 2024. As of December 31, 2024, the sole owner of Cash Credit Bulgaria EOOD is Cash Credit Invest Holding AD, a circumstance entered in the Commercial Register on December 21, 2022. Prior to that date, the sole owner of the Company's capital was New Ventures Holding, a foreign legal entity based in the Cayman Islands.

The Company's financial year ends on December 31.

The financial statements of Cash Credit Mobile EAD (the Company) for the year ended December 31, 2024, were approved for issue by a decision of the Management Board on July 21, 2025.

The number of employees as at 31 December 2024 was 17 (31 December 2023: 17).

2. Basis for preparation of the financial statements

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EC"). The "IFRS adopted by the EC" reporting framework is essentially the defined national accounting basis MCC adopted by the EC, regulated by the Accounting Act and defined in point 8 of its Additional Provisions.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

The policies set out below have been consistently applied for the years 2023 and 2024. The

financial statements have been prepared in accordance with the historical cost principle.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. Although these estimates are based on management's knowledge and experience of current events and actions, actual results may differ from the estimates.

The financial statements are presented in accordance with MCC 1 "Presentation of Financial Statements". The Company presents the statement of comprehensive income in a single statement.

The cash flow statement has been prepared using the direct method, applying paragraphs 22 and 23 of MCC 7, according to which cash flows related to loans granted are presented on a net basis.

The company presents its statement of financial position in general terms by degree of liquidity. An analysis of the recovery of assets or settlement of liabilities within twelve months after the date of the statement of financial position (current) and after more than 12 months after the date of the statement of financial position (non-current) is presented in Appendix 3.4 to the financial statements.

The statement of financial position presents two comparative periods when the Company applies an accounting policy retrospectively, restates items in the financial statements retrospectively, or reclassifies items in the financial statements and this has a material effect on the information in the statement of financial position at the beginning of the previous period.

2.1. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations in the foreseeable future. In 2024, the Company realized a profit of BGN 519 thousand and negative cash flows from operating activities of BGN 1,022 thousand. (2023: profit of BGN 1,094 thousand and positive cash flows from operating activities of BGN 1,122 thousand). The Company's net assets as at 31 December 2024 exceed the amount of equity (BGN 7,422 thousand) and the amount of registered share capital, which is BGN 5,947 thousand. As at the date of preparation of this financial report, the ratio has been brought into line with the applicable requirements of the Commercial Act.

The Company has prepared financial forecasts for the twelve months from the date of approval of this financial report, taking into account the forecast assessment of the effects of the military conflict between the Russian Federation and Ukraine, as well as the ongoing global crisis. Management has concluded that there is no material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern and, accordingly, that it is appropriate to prepare the financial statements on a going concern basis.

the going concern assumption after taking into account the financial forecasts, including the forecast scenario for a decline, as well as the following assumptions:

- The Company is meeting its financial commitments as at 31 December 2024 and forecasts compliance in the 2025 financial year.
- The company is pursuing a policy of cost optimization and revenue growth.
- The company has introduced measures to strengthen its liquidity and preserve cash, initiatives related to personnel and personnel expenses, such as reviewing bonus schemes linked to performance and certain other initiatives related to expenses incurred in connection with some employees working from home

* The sole owner of the capital anticipates a capital increase if necessary.

Based on the assessment of expected cash flows, management believes that the Company will continue as a going concern and will therefore be able to settle its liabilities in the normal course of its business without having to realize a significant portion of its assets or take other coercive measures.

2.1. Summary of significant accounting policies

New and amended standards and interpretations

The Company has adopted the following new standards, amendments, and interpretations to IFRS issued by the International Accounting Standards Board and approved by the EC, which are relevant and effective for the Company's financial statements for the annual period beginning January 1, 2024, but have no significant impact on the Company's financial results or position:

Amendment to IFRS 16 Leases, effective from January 1, 2024, adopted by the EC
- Amendment to MCC 1 Presentation of Financial Statements, effective from January 1, 2024, adopted by the EC
- Amendment to IAS 7 Statement of Cash Flows and IAS 7 Financial Instruments: Disclosures, effective from 1 January 2024, adopted by the EC

The Company has not early adopted any standard, interpretation or amendment that has been published but is not yet effective.

New standards, amendments and interpretations to existing standards that have been published but are not yet effective or have not been adopted by the EC

As of the date of approval of these financial statements, some new standards, amendments, and interpretations to existing standards have been issued but are not yet effective or have not been adopted by the EC for the financial year beginning January 1, 2024, and have not been applied earlier by the company.

They are not expected to have a material impact on the Company's financial statements. Management expects all standards and amendments to be adopted in the Company's accounting policy in the first period beginning after the date of their entry into force.
Below is a list of changes to the standards:

Amendment to MCC 21 Effects of Changes in Foreign Exchange Rates Non-convertibility (Regulation (EC) No. 2024/2862 of November 12, 2024, Official Journal, Series L of November 13, 2024, effective January 1, 2025).
- Application of MCC 21 to the consolidation of foreign subsidiaries

The Company intends to apply these new and amended standards and interpretations, if applicable, when they become effective. They are not expected to have a material effect on the Company's financial results and financial position.

2.2. Functional currency and presentation currency

The items included in the financial statements are presented in the currency of the primary economic environment in which the Company operates (functional currency). The financial statements are presented in the national currency of Bulgaria, the Bulgarian lev (BGN), which is the functional currency and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are reported in the Company's functional currency at the official exchange rate on the date of the transaction (the announced fixing of the Bulgarian National Bank). Gains and losses from exchange rate differences arising from the settlement of these transactions and the revaluation of cash positions in foreign currency at the end of the reporting period are recognized in profit or loss. These balances are translated at the BNB exchange rate at the end of the year.

As at 31 December 2024, monetary assets and liabilities are translated at the BNB reference exchange rate of BGN 1 for EUR 0.5113 (2023: BGN 1 for EUR 0.5113).

As at 31 December 2024, monetary assets and liabilities are translated at the BNB reference exchange rate of BGN 1 for USD 0.53118 (2023: BGN 1 for USD 0.564978).

2.3. Offsetting of financial instruments

Financial assets and liabilities are offset and the net carrying amount is reported in the balance sheet when there is a legal basis for offsetting the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control over the services is transferred to the customer, for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. In general, the Company has concluded that it is a principal in its revenue arrangements, as the Company typically controls the services before transferring them to the customer.

Provision of services

The Company provides the following types of services:

- scoring services
- risk assessment services,
- ancillary services related to the sale of receivables and other services.

The company reports the services as a performance obligation and recognizes the revenue immediately upon conclusion of the transaction.

Contract balances

Assets under contracts with customers

The asset under the contract is the right to receive remuneration in exchange for the services transferred to the customer.

If, by transferring the services to the customer, the Company fulfills its obligation before the customer pays the relevant remuneration or before the payment becomes due, the asset under the contract is recognized as earned remuneration, which is conditional.

Trade receivables

The receivable represents the Company's right to receive a specific amount of remuneration, which is unconditional (i.e., only a certain period of time must elapse before the remuneration becomes due). Please refer to the accounting policies for financial assets set out in the section *Financial Assets*

Service contracts

The liability under the contract is the obligation to transfer the services to the customer for which the Company has received remuneration (or the remuneration is due) from the customer. If the customer pays the consideration before the Company transfers the services to the customer, a contract liability is recognized when the payment is made or when the payment becomes due (whichever occurs first). Contract liabilities with customers are recognized as revenue when the Company fulfills its obligations under the contract.

Contract acquisition costs/Contract fulfillment costs

Additional contract acquisition costs (e.g., sales commissions) and certain contract fulfillment costs are recognized directly as expenses because the effective term of the contracts is up to one year, i.e., they are short-term.

2.5. Operating expenses

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

The company reports two types of expenses related to the performance of contracts for the supply of services/goods/with customers: costs of **concluding/achieving** the contract and costs of performing the contract. When expenses do not meet the conditions for deferral under IFRS 15, they are recognized as current at the time they are incurred, for example, if they are not expected to be recovered or their deferral period is up to one year.

The following operating expenses are always recognized as current expenses when incurred:

- General and administrative expenses (unless they are charged to the customer);
- Expenses for inventory write-offs;
- Expenses related to the performance of the obligation;
- Expenses for which the entity cannot determine whether they are related to a satisfied or unsatisfied performance obligation.

2.6. Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and expense over the relevant period using an effective interest rate.

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts for the expected life of the financial instrument to the net carrying amount. Where appropriate, the Company uses a shorter amortization period. This is the period until the next revaluation date when market interest rates change before the expected maturity of the instrument.

When calculating the effective interest rate, the Company calculates cash flows taking into account all contractual terms of the financial instrument, 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 are an integral part of the effective interest rate, transaction costs, and any other premiums or discounts.

When loan receivables are identified as impaired, i.e. stage 3, they are reduced to their recoverable amount and then interest income is recognized based on the interest rate used to discount future cash flows for the purposes of assessing the recoverable amount.
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2.7. Financial asset**s**

Initial recognition

Upon initial recognition, financial assets are classified as those that are subsequently measured at amortized cost, at fair value through other comprehensive income (OCI), and at fair value through profit or loss.

The classification of financial assets upon initial acquisition depends on the characteristics of the contractual cash flows of the financial asset and the Company's business model for managing them. The Company initially measures a financial asset at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Receivables from suppliers and customers that do not contain a significant financing component and for which the Company has applied a practical expedient are measured at transaction cost determined in accordance with IFRS 15. Please refer to the accounting policy in section 2.4) Revenue from contracts with customers.

To be classified and measured at amortized cost or fair **value** through profit or loss, **a** financial **asset** must generate cash flows that are "solely payments of principal and interest" (SPGL) on the outstanding principal amount. This assessment is called the "SPGL test" and is performed at the level of the relevant instrument.

The Company's business model for managing financial assets is based on how it manages its financial assets to generate cash flows. The business model determines whether cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both.

Purchases or sales of financial assets whose terms require delivery of the assets within a period of time established generally by regulation or convention in the marketplace (regular purchases) are recognized on the trade date (the date of the transaction), i.e. on the date on which the Company has committed to buy or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income with "recycling" of cumulative gains or losses (debt instruments)
- Financial assets designated as at fair value through other comprehensive income without "recycling" cumulative gains or losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold it in order to collect the contractual cash flows from it; and
- The terms of the financial asset contract give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding principal amount

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.
The Company's financial assets at amortized cost include receivables from suppliers and customers, loans granted to related parties.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Company's balance sheet) mainly when:

- the rights to receive cash flows from the asset have expired; or
- the rights to receive cash flows from the asset have been transferred or the Company has assumed an obligation to pay the cash flows received in full, without material delay, to a third party under a transfer agreement; where either (a) the Company has transferred substantially all the risks and rewards of ownership of the asset; or (6) the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control over it.

When the Company has transferred its rights to receive cash flows from the asset or has entered into a transfer agreement, it assesses whether and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, nor transferred control of it, it continues to recognize the transferred asset to the extent of its continuing involvement in it. In this case, the Company also recognizes the related liability. The transferred asset and the related liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement in the form of a guarantee over the transferred asset is measured at the lower of the asset's original carrying amount and the maximum amount of consideration that the Company may be required to pay.

Impairment of financial assets

Additional disclosures related to the impairment of financial assets are also provided in the following explanatory notes:

- Accounting estimates and judgments in applying accounting policy (note 3.7);
- Loans and advances to customers (note 9);
- Receivables from related parties (note 21).

The expected credit loss model under IFRS 9 accelerates the recognition of impairment losses and results in higher impairments at the date of initial application. The Company recognizes a provision for expected credit losses (ECL) for all debt instruments that are not measured at fair value through profit or loss.
The amount of expected credit losses is measured as the difference between all contractual cash flows due and all cash flows expected to be received, discounted at the original effective interest rate.

Expected credit losses (OK3) are calculated as a function of the probability of default (PD), exposure at default (EAD) and loss given default (LGD).

The Company has adopted the following model for managing loans and advances to customers and related parties:

1) A large part of the loans and advances to customers are guaranteed by the Company - Guarantor. With the exception of loans granted for several Cash Credit Mobile products, the Company does not charge impairment for fully guaranteed loans, but only for unguaranteed ones.
2) Loans granted to related parties — based on historical experience and after analysis, the company considers that receivables from related parties are fully collectible and does not charge impairment.
3) Other receivables from suppliers and customers and related parties and assets under contracts with customers — the company applies a simplified approach to calculating OK3.

For credit exposures for which there is no significant increase in credit risk since initial recognition (stage 1), OK3 is provisioned for credit losses arising from default events that are possible in the next 12 months (12-month OK3).
For credit exposures for which there has been a significant increase in credit risk since initial recognition (stage 2), a loss provision is required for credit losses expected over the remaining life of the exposure, regardless of when the default occurs (OK3 for the entire life of the instrument).
The Company considers a financial instrument to be in default (stage 3) when contractual payments are more than 90 days past due. In certain cases, however, it may consider a financial asset to be in default when internal or external information provides an indication that it is unlikely that the Company will receive the full amount of the outstanding contractual amounts before taking into account any credit enhancements it holds.
Financial assets are derecognized when there are no reasonably expected cash flows to be collected under the contract. Expected credit losses (ECL) are calculated as a function of probability of default (PD), exposure at default (EAD), and loss given default (LGD).
The Company has developed two scenarios for calculating the probability of default (PD):

1) based on historical experience — information on **the performance of loans by** product over the last three years has been analyzed. The probability **of** default within 30 days (phase 1), between 31 and 90 days (phase 2), and over 90 days (phase 3) has been calculated on an arithmetic mean basis;
2) based on historical experience with macro-indicator adjustment — after performing a correlation analysis, it was established that the Company's activity is linearly correlated with the change in the gross domestic product of the Republic of Bulgaria. Based on this analysis, the forecast annual percentage change in gross domestic product is adopted by the Company as a macro indicator to be used as an adjusting forecast factor for the purposes of the Company's provisioning policy.

The Company has developed its own methodology for calculating the loss given default (LGD) ratio based on discounted cash flows from defaulted loans.

The methodology incorporates historical experience and takes into account the cost of funding in the microcredit industry in Europe.

The PD and LGD coefficients are applied to the current on-balance sheet and off-balance sheet exposures guaranteed by the Company, as well as to receivables from fees on guarantees provided.

The default rate, loss rate, and expected time for future recoveries are regularly assessed against actual results to ensure that they are appropriate. No specific individual impairment test is performed as the credit portfolio consists of a large number of loans with small exposures, which would make an impairment test on an individual basis impractical.

With respect to receivables and advances from the intermediary, the Company applies a simplified approach to calculate OK3. Therefore, it does not track changes in credit risk, but instead recognizes a provision for loss based on OK3 for the entire term of the instrument at each reporting date. The Company has created a provisioning matrix based on historical credit loss experience, adjusted for forecast factors specific to the debtors and the economic environment.

2.9. Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as either at fair value through profit or loss, or as borrowings and loans, liabilities, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

Initially, all financial liabilities are recognized at fair value**,** and in the case of borrowings and liabilities, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and accounts payable, other financial liabilities, and other liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Liabilities to suppliers and customers, other financial liabilities,* deferred income*, and other liabilities

After initial recognition, the Company measures trade payables, other financial liabilities and other liabilities at amortised cost using the EPL method.

Gains and losses are recognized in profit or loss when the liability is derecognized, as well as through the process of amortization on an ECL basis.

The amortized cost is calculated taking into account any discounts or premiums on acquisition, as well as fees or costs that are an integral part of the ETL. Amortization through ETL is included as a financial divorce in the statement of comprehensive income. This category mainly relates to trade and other payables.
Additional information is provided in Note 14 and Note 15.

Derecognition

A financial liability is derecognized when the obligation is discharged, terminated, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability and the recognition of a new one. The difference in the respective balance sheet amounts is recognized in the income statement.

2.10. **Inventories**

Inventories include materials. The cost of inventories includes direct costs of purchase or production, processing, and other direct costs related to their delivery. Finance costs are not included in the cost of inventories. At the end of each reporting period, inventories are measured at the lower of cost and net realizable value. The amount of any impairment of inventories to their net realizable value is recognized as an expense for the period of impairment.

The net realizable value is the expected selling price of the inventories less the expected costs of sale. If inventories have already been impaired to their net realizable value and in a subsequent reporting period it becomes apparent that the conditions that led to the impairment no longer exist, their new net realizable value is recognized. The amount of the reversal may only be up to the carrying amount of the inventories before the impairment. The amount of the reversal of the impairment of inventories is recognized as a reduction in the cost of materials for the period in which the reversal occurs.

The company determines the cost of inventories using the weighted average method.
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2.11. Intangible assets

Expenses related to the maintenance of computer software programs are recognized as an expense when incurred. Expenses directly related to identifiable and unique software products that are controlled by the Company and are likely to generate economic benefits exceeding the costs for one year are recognized as intangible assets. Direct costs include personnel costs associated with software development and services provided by third parties.

Expenses that improve or extend the operation of computer software programs beyond their original characteristics are recognized as capital improvements and added to the initial cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful life, which is no longer than two years.

Subsequent measurement is at cost less accumulated amortization and impairment losses.

Amortization of intangible assets, such as licenses and trademarks, is calculated using the straight-line method by writing off the cost of these assets to their residual value over their estimated useful lives, which vary for periods of 2 years. The residual value of intangible assets and their useful lives are reviewed and adjusted, if necessary, at each balance sheet date.

Amortization expenses are included in the statement of profit or loss and other comprehensive income under "Operating expenses."

2.12. Vehicles and equipment

Vehicles and equipment are reported at historical cost less accumulated depreciation. Historical cost includes all costs directly attributable to the acquisition of the asset.
Depreciation is calculated using the straight-line method to allocate the difference between the carrying amount and the residual value over the expected useful life of the assets, as follows:

Equipment	2–7 years
Vehicles	4 years

Vehicles and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset is greater than its estimated recoverable amount, it is impaired to its recoverable amount. Gains and losses on the sale of equipment are determined on the basis of their carrying amount and are taken into account in determining operating profit.
Repairs and refurbishments are recognized as current expenses in the statement of profit or loss and other comprehensive income when incurred. The useful life and residual value of vehicles and equipment are reviewed annually to assess the expected useful life of the asset in the enterprise. The useful life is assessed based on the expected physical performance of the asset compared to the actual level of use.

Depreciation expenses are included in the statement of profit or loss and other comprehensive income under "Operating expenses".

2.13. Impairment of non-financial assets

At the reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there are any indications of impairment. If such indications exist, the recoverable amount of the asset is determined. An impairment loss is recognized when the carrying amount of the asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

2.14. Leasing

On the date the contract comes into effect, the Company assesses whether the contract constitutes or contains a lease. Namely, whether the contract transfers the right to control the use of the identified asset for a certain period of time.

The Company as a lessee

The Company applies a single approach to the recognition and measurement of all leases, except for short- term leases (i.e., leases with a lease term of up to 12 months) and leases of low-value *assets*. The Company recognizes lease liabilities for lease payments and right-of-use assets representing *the right* to use *the* assets.

The company recognizes right-of-use assets from the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at acquisition cost less accumulated depreciation and impairment losses, and adjusted for any revaluation of lease liabilities. The acquisition cost of right-of-use assets includes the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date of the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the expected useful lives of the assets, as follows:

• Properties	3-5 years
• Vehicles and other equipment	4 years

If, at the end of the lease term, ownership of the leased asset is transferred to the Company, or the acquisition cost reflects the exercise of a purchase option, depreciation is calculated using the expected useful life of the asset.

Assets with right of use are also subject to impairment. The accounting policy for impairment is disclosed in section (2.13) Impairment of non-financial assets.

Lease liabilities

From the inception date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including fixed payments in substance), reduced by any lease incentives receivable, variable lease payments that depend on an index or interest rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the cost of exercising a purchase option that the Company reasonably is certain to exercise, *as well as* payments of penalties for terminating the lease if the lease term reflects the Company's exercise of a termination option.

Variable lease payments that are not dependent on an index or interest rate are recognised as an expense (unless incurred for the production of inventories) in the period in which the event or condition triggering the payment occurs. To determine the incremental interest rate, the Company uses, where possible, the applicable interest rate from the most recent third-party financing, adjusted to reflect changes in financing terms that have occurred since that most recent financing. After the commencement date, the amount of lease liabilities increases with interest and decreases with lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes in future payments resulting from a change in the index or interest rate used to determine those lease payments), or a change in the assessment of the option to purchase the underlying asset.

2.15. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in bank accounts, and deposits with a maturity of three months or less from the date of inception.

2.16. **Provisions**

Provisions for restructuring costs and legal claims are recognized when: a present legal, constructive, or regulatory obligation arises for the Company as a result of past events; when outflows of cash are expected to settle the obligation; and when the amount of the obligation itself can be reliably determined.

When there are several similar obligations, the probability of cash outflows arising to settle them is assessed by considering the entire class of obligations.
Provisions are determined based on the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount factor that reflects the current market value of money over time and the risks specific to the obligation.

2.17. Current and deferred income taxes

The taxation reflected in the financial statements is in accordance with Bulgarian legislation currently in force. Tax expenses in the statement of profit or loss and other comprehensive income for the year include current tax and changes in deferred tax. Current tax is calculated based on taxable profit for the year, applying the tax rates in effect at the balance sheet date. Income tax payable, in accordance with applicable tax law, is recognized as an expense in the period in which the profit arises. Taxes other than income tax are included in operating expenses.
Deferred tax is calculated using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Tax rates currently in force are used to determine deferred income tax.
The main temporary differences arise from loans and advances to customers and other liabilities. Tax rates in effect at the balance sheet date are used to determine deferred income tax. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which these assets can be recovered. Income tax payable, in accordance with applicable tax law, is recognized as an expense in the period in which the profit arose. The tax effects of tax losses that can be carried forward are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

2.17. Share capital

The Company's share capital reflects the nominal value of the shares issued. The accumulated loss includes the current financial result and accumulated profits and uncovered losses.
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2.18. Dividends

Dividends on ordinary shares are recognized in equity for the period in which they are declared. Dividends for the year that are declared after the balance sheet date are discussed in the notes to events after the date of the Statement of Financial Position, if any. No dividends have been accrued or paid during the year.

2.19. Employee benefits

Social, pension, and health insurance funds
The Company is required under Bulgarian law to make fixed contributions on behalf of its employees to a social fund administered by the government. All such payments/liabilities are recognized as an expense in the period to which they relate.

Pension liabilities
In accordance with Article 222, paragraph 3 of the Labor Code, in the event of termination of employment as a result of the employee reaching the statutory retirement age, regardless of the reason for termination, the employee is entitled to compensation as follows: 2 months' gross salary in general and 6 months' gross salary if the employee has been employed by the Company for a period of not less than 10 years.
At the end of each reporting period, the Company assesses and recognizes provisions for its pension obligations. When calculating the provisions, the Company determines the present value of future pension obligations, taking into account the probability of employees retiring. At present, the Company considers that, given the average age and length of service of its employees, there is no need to recognize a provision for pension obligations.

Short-term employee benefits, including accrued vacation pay, are included in liabilities under "Other liabilities" at the undiscounted amount that the Company expects to pay.

3. Financial risk management

3.1. Strategy for the use of financial instruments

The Company's activities are essentially related to the use of financial instruments.

3.2. Credit risk

The Company is exposed to credit risk, which is the risk that a customer will not be able or willing to repay the amount due on time.

The general principles of the Company's credit policy are described in the credit policy and related procedures approved by the Management Board and the Risk Management Committee.
The Company's credit policy and results are reviewed weekly by the Risk Management Committee, describing the Company's credit risk control, monitoring procedures, and credit risk management systems.

Credit risk is managed by the Risk Management Committee. The Risk Management Committee is responsible for approving the risk profile of new consumer products and establishing the weights used in the cards to assess the probability of customers repaying their loans. Ongoing adjustments are also made in the event of unusual fluctuations in approval/rejection levels, which are reviewed on a daily basis.

The Company manages overall credit risk by establishing limits on the level of acceptable risk for a borrower, group of borrowers, geographic location and financed goods, individual credit positions and other factors for portfolio diversification, as well as meeting profitability targets. These risks are monitored regularly and are subject to daily and weekly operational reviews and monthly overall reviews.

Credit risk exposure is managed through regular analysis of the ability of customers and potential customers to repay their interest and principal and by updating approval criteria, pricing and lending limits. Since the Company's receivables, with the exception of loans to individuals, are unsecured, the maximum exposure to credit risk for financial assets is equal to their carrying amount.
Overall, the portfolio impairment policy is the responsibility of the Chief Financial Officer and the Chief Risk Officer. Most loan agreements are secured by guarantees from individuals or legal entities or bank guarantees. The Company is exposed to insignificant credit risk, as the natural or legal persons acting as guarantors or the respective banks under the bank guarantees secure the Company's overdue receivables under loan agreements. The risk to which the Company is exposed is related to the possibility that the legal entity guarantor or the relevant bank may cease operations, or that the natural person guarantors may lose their income, which risk is assessed as insignificant.

The Company is exposed to a more significant credit risk in relation to receivables under loan agreements related to its unsecured products, which are not secured by natural or legal persons.

Overdue and non-performing loans are secured.

Maximum exposure to credit risk

The exposure to credit risk arising from financial assets recognized in the statement of financial position is as follows:

	31.12.2024 BGN thousand	**31.12.2023 BGN thousand**
Receivables from suppliers and customers	**333**	**49**
Cash and cash equivalents	**222**	**267**
Loans and advances to customers	**12,589**	**11,875**
	13,144	**12,191**

Loans and advances to customers are summarized

as follows:

Balance sheets as of 31 december, 2024	**Loans and advances to customers BGN thousnads**
Not past due and not impaired	**7,553**
Past due and not impaired	**5,036**
Devalued	**479**
Gross	**13,068**
Minus: depreciation	**(479)**
Net	**12,589**

Balance as at 31 December 2023	**Loans and advance granted to customers**
Not past due and not impaired	7,125
Overdue and not impaired	4,750
Impaired	411
Gross	12,286
Less: impairment	(411)
Net	11,875

Loans and advances not past due and not impaired

The credit quality of the portfolio of loans and advances that are neither past due nor impaired as at 31 December 2024 can be assessed using an internal rating system. The company classifies its customers as low and acceptable risk if they meet certain conditions when assessed prior to granting credit. Such conditions include low indebtedness, proven income, valid documents, etc.

The following information is based on this system:

Balance as of 31 December 2024	Non-overdue and non-impaired loans and advances BGN thousand	Overdue and non-impaired loans and advances BGN thousand
Low - acceptable risk	7,553	5,036
total	7,553	5,036

Balance as of 31 December 2023	Non-overdue and non-impaired loans and advances BGN thousand	Overdue and non-impaired loans and advances BGN thousand
Low - acceptable risk	7,125	4,750
total	7,125	4,750

Impaired loans and advances

Balance to 31 Decembre, 2024	Unemployed BGN thousands	Permement contract BGN thousands	Pension Irani BGN thousands	Self-propoelled BGN thousands	Temporary contract BGN thousands	**Total** BGN thousands
Phase 1 (Not past due and past due 0-30 days)	2	128	51	3	4	188
Phase 2 (31–90 days past due)	3	27	4	1	-	35
Phase 3(Overdue over 91 days)	8	197	25	13	13	256
total	**13**	**352**	**80**	**17**	**17**	**479**

December 31, 2023	Unemployed BGN thousand	Permanent contract BGN thousand	Pension Irani BGN thousand	Self-propelled BGN thousand	Temporary contract BGN thousand	total
Phase 1 (not past due and overdue 0-30 days)	-	72	21	3	3	99
Phase 2 (overdue 31-90 days)	-	49	2	4	1	56
Phase 3 (overdue 91 days)	3	209	19	11	14	256
Total	**3**	**330**	**42**	**18**	**18**	**411**

Receivables, loans, and consumer credit to individuals

Change in gross depreciated value	Phase 1	Phase 2	Phase 3	Total
(All amounts are presented in thousands.				
Value as of January 1, 2024	2,603	417	(770)	2,250
New exposures	6,336	50	41	6,427
Accruals	972	25	48	1,045
Exposures paid	(6,733)	(65)	(61)	(6,859)
Transition to phase 1	112	(22)	(90)	
Transition to phase 2	(17)	39	(22)	
Transition to phase 3	(4)		4	
Written-off amounts	-	(4)	(189)	193
Value as at 31 December 2024	3,269	440	(1,039)	(2,670)

Reflected in the current tax liability (All amounts are presented in thousands of BGN)

Change in gross depreicated value	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Values at 1 january, 2023	3,118	270	732	4,120
New exposures	4,803	62	42	4,907
Accruals	1,085	46	226	1,357
Paid exposures	(6,737)	(120)	(143)	(7,000)
	412	(98)	(314)	
Transition to phase 1	(47)	263	(216)	
Transition to phase 2	(21)	-	21	
Transition to phase 3	(10)	(6)	(1,118)	(1,134)
Values at 31 December 2023	**2,603**	**417**	**(770)**	**2,250**

Impairment loss *(All amounts are presented in thousands of BGN)*	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Value as of January 1, 2024	(384)	(158)	(369)	(911)
New exposures	384	36	41	461
Additional charges for old products	(157)	3	808	654
Additional charge/(reintegration) impairment	78	15	47	139
Paid exposures	(539)	(38)	(60)	(636)
Transition to phase 1	101	(24)	(77)	-
Transition to phase 2	(3)	16	(13)	-
Transition to phase 3	(1)	(5)	6	-
Written-off amounts	-	(3)	(184)	(187)
Value as of 31 December 2024	**(521)**	**(158)**	**(199)**	**(479)**

No impairment loss *(All amounts are expressed in thousands of BGN)*	**Phase 1**	**Phase 2**	**Phase 3**	**Total**
Value as of January 1, 2023	(384)	(158)	(369)	(9M)
New exposures	273	31	41	345
Additional charges for old products	62	23	220	305
Paid exposures	(384)	(60)	(139)	(583)
Transition to phase 1	201	(49)	(152)	-
Transition to phase 2	(3)	38	(35)	-
Transition to phase 3	(1)	-	1	-
Written-off amounts	(1)	(3)	(780)	(784)
Value as of 31 December 2023	**166**	**13**	**(590)**	**(411)**

The Company's customers are only from Bulgaria and the payment accounts are with local banks or local branches of foreign banks.

Bank	App.	2024 BGN thousand	2023 BGN thousand
UniCredit Bulbank AD	7	186	61
United Bulgarian Bank AD	7	21	190
DSK Bank AD	7	-	7
PAYNETNX	7	7	
		222	**267**

As at 31 December 2024, the Company had BGN 8 thousand in cash. (2023: BGN 3 thousand)

The Company is exposed to the effects of many sectors of the Bulgarian economy and the credit risk is evenly distributed among the various customers.

3.3. Market risk

The Company is exposed to market *risks*. Market risks arise from open positions in interest rate, currency, and equity transactions, all of which are exposed to general and specific market fluctuations.

The Company applies sensitivity factor methods and stress tests to assess the market risk of its positions and the maximum expected losses calculated based on assumptions for various changes in market conditions. The sensitivity factors method monitors changes in the value of positions caused by a specific change in the market risk coefficient. Stress tests are performed to monitor changes in the value of the portfolio caused by extreme market fluctuations.

The Management Board sets limits for acceptable risk, which is monitored on a quarterly basis.

Currency risk

Currency risk depends on unfavorable fluctuations in major exchange rates and affects the financial position and cash flows. All of the Company's monetary assets and liabilities are denominated in euros or Bulgarian levs. The Company is not exposed to significant currency risk as it does not have any transactions in currencies other than the Bulgarian lev and the euro.

Interest rate *risk*

The Company is not exposed to interest rate risk as its loan portfolio and debts are fixed-rate, with no variable components or indices.

Risk of changes in cash flows and fair value as a result of changes in market interest rates

Cash flow risk resulting from changes in market interest rates is the risk that there will be a fluctuation in the future cash flows of a financial instrument due to changes in market interest rates. The risk of changes in the fair value of financial instruments as a result of changes in interest rates is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company is exposed to the impact of fluctuations in key market interest rates on fair value and cash flow risks. Interest margins may either increase as a result of these changes or decrease or lead to losses in the event of unexpected fluctuations. The Management Board sets limits on the level of interest rate mismatch that can be accepted. Due to the fact that interest rates on borrowing and subsequent lending are relatively stable, interest rate levels are monitored on a quarterly basis.

The table below summarises the Company's exposure to interest rate risk. The table shows the Company's assets and liabilities at their carrying amount, sorted by the earlier of the interest rate repricing date of the contract or the maturity date.

	up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	total
As of 31 December 2024						
Assets						
Cash and cash equivalents	222	-	-	-	-	222
Receivables from suppliers and customers	313	-	-	-	20	333
Loans and advances granted	1,142	1,744	6,785	6	-	12,589
Other assets	-	-	6	-	-	6
Total assets	1,677	1,744	6,791	2,918	20	13,150

Total assets

As of December 31, 2024	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities	BGN thousand	BGN thousand	BGN thousand	BGN thousand	BGN thousand	BGN thousand
Payables to suppliers and customers	82					82
Lease liabilities	5	11	38	81		13
Other financial liabilities	1,125	1,860	2,459	165		5,609
Other liabilities			110		40	150
Total liabilities	1,212	1,871	2,607	246	40	5,976
Net difference	465	(127)	4,184	2,672	(20)	7,174
Cumulative difference	465	338	4,522	7,194	7,174	

As of December 31, 2023	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Total assets	1,360	1,664	6,088	3,064	20	12,196
Total liabilities	1,107	1,156	2,395	233	40	4,931
Net difference	**253**	**508**	**3,693**	**2,831**	**(20)**	**7,265**

CASH CREDIT MOBILE EAD

Cumulative difference	**253**	**76**	**4,454**	**7,285**	**7,265**

The table below shows the annual effective interest percentage for monetary financial instruments:

December 31	BGN thousand	
	2024	**2023**
Assets	**%**	**%**
Cash and cash equivalents	0	0
Loans and advances to customers	41.10	40.54

3.4. Liquidity risk

The Company is exposed to liquidity risk arising from the mismatch between the maturities of assets and liabilities, which may result in a shortage of cash in the Company.

The Management Board has approved procedures for assessing and managing liquidity, established the necessary liquidity requirements, and determined the minimum required levels of liquid assets and maturity mismatch. The main objective of the liquidity risk management policy is to ensure stable growth of the loan portfolio and to manage liquidity effectively by utilizing the funds raised and minimizing cash surpluses.

For the purposes of structural liquidity management, the Company prepares a long-term cash flow report, which is part of the Company's financial plan and is updated on a quarterly basis. For the purposes of short-term liquidity management, the Company prepares a detailed daily cash flow plan for the next 90 days. This report is updated daily and contains an overview of expected and contractual cash flows from consumer loans, operating and financial activities.

Currently, the Company has loans maturing within 12 months to December 31, 2024, but has a stable liquidity position that will assist it in mitigating any subsequent market volatility. The maturity dates of the Company's loans will continue to be monitored and they will be refinanced in advance depending on credit market conditions and support from its financial counterparties.

The table below presents the cash flows payable by the Company on non-derivative financial liabilities with residual contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the undiscounted contractual cash flows, as the Company manages its inherent liquidity risk based on expected undiscounted cash flows. All payments are determined based on the spot rate.

Other financial liabilities are settled proportionally with the cash flows from borrowers on loans granted. The receivables are secured and the risk to which they are exposed is minimal.

As of December 31, 2024	To 1 month BGN thousand	1-3 months BGN thousand	3-12 months BGN thousand	1-5 years BGN thousand	Above 5 years BGN thousand	Total BGN thousand
ASSETS						
Cash and cash equivalents	**222**	**-**	**-**	**-**	**-**	**222**
Receivables from suppliers and customers	**313**	-	-	**-**	**20**	**333**
Loans and advances provided to customers	1,277	1,959	7,588	3,263	-	14,080
Other assets	-	-	6	-	-	6
Total assets	**1,812**	**1,950**	**7,594**	**3,263**	**20**	**14,641**

As of December 31, 2023	To 1 month BGN thousand	1-3 months BGN thousand	3-12 months BGN thousand	1-5 years BGN thousand	Above 5 years BGN thousand	Total BGN thousand
PASSIVES						
Obligaitons to suppliers and customers	**82**	**-**	**-**	**-**	**-**	**82**
Lease obligaitons	**5**	**11**	**38**	**81**	**-**	**135**
Other financial liabilities	1,166	1,928	2,550	171	-	5,816
	-	-	110	-	40	150
Other duties						
Total liabilities	1,253	1,939	2,698	242	40	6,183
Net difference	**559**	**11**	**4,897**	**3,011**	**(20)**	8,458
Cumulative difference	**1,050**	**570**	**5,467**	**8,478**	**8,458**	

As of December 31, 2023	Up to 1 month	1-3 months	3 months	1-5 years	Over 5 years	Total
Total assets	1,026	1,719	6,815	4,022	20	13,602
Total liabilities	1,136	1,200	2,471	242	40	5,087
Net difference	**(110)**	**519**	**4,345**	**3,781**	**(20)**	**8,515**
Cumulative difference	**(110)**	**409**	**4,754**	**8,535**	**8,515**	

The company believes that matching and controlled mismatching of maturities with interest rates is important for increasing profitability. It is common practice for small companies operating in the financial market to plan for a complete match between the maturities of assets and liabilities in the short term, as transactions have a fast turnover. A difference in the maturity structure can increase profitability, but it also increases the risk of losses for the business. A mismatch with a cash surplus can reduce profitability due to inefficient use of funds, but it also increases the benefits of a stable liquidity position.

The company considers that the maturities of assets and liabilities and the possibility of replacing them at an acceptable price, as well as interest-bearing liabilities at maturity, are important factors in assessing the liquidity of Cash Credit Mobile EAD and its exposure to changes in interest rates.

The company classifies as current assets and liabilities with an expected maturity of up to one year and as non-current assets and liabilities with an expected maturity of more than one year.

December 31, 2024	Non-current BGN thousand	Current BGN thousand	Total BGN thousand
ASSETS			
Cash and cash equivalents		222	222
Receivables from suppliers and customers	20	313	333
Loans and advances to customers	2,918	9,671	12,589
Material inventories		54	54
Assets with right of use	66	66	132
Vehicles and equipment		10	10
Intangible assets		47	47
Deferred tax assets		5	5
Taxes recoverable			
Other assets	-	6	6
TOTAL ASSETS	**3,004**	**10,394**	**13,398**
LIABILITIES			
Liabilities to suppliers and customers		82	82
Other financial liabilities	165	5,444	5,609
Corporate tax liabilities			
Lease liabilities	81	54	135
Other	40	110	150
Total liabilities	**286**	**5,690**	5,976

Deceember 31, 2023	Non-current BGN thousand	Current BGN thousand	Total BGN thousand
Assets			
Cash and cash equivalents Receivables		267	267
from suppliers and customers	20	29	49
Loans and advances to customers	9,036	2,750	11,875
Inventories		56	56
Other		5	5
Assets with right of use	96		7
Vehicles and ewuipment	3	10	13
Intangible assets	40	12	52
Deferred tax assets		5	5
Taxes recoverable		5	5
Total assets	**9,195**	**3,139**	**12,334**

LIABILITIES			
Liabilities to suppliers and customers		510	510
Other financial liabilities	233	4,003	4,236
Corporate tax liabilities			
Lease liabilities		10	10
Other liabilities		175	175
TOTAL LIABILITIES	**233**	**4,698**	**4,931**

3.5. Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged in a transaction between willing and informed parties, other than in a forced sale or liquidation, with the quoted market price being the most reliable indicator.
The fair value of financial instruments is determined by the Company based on available market information, where available, and appropriate valuation methods. However, judgment is required to interpret market data in order to determine fair value. Although management has used all available information in determining the fair value of financial instruments, it is possible that market information may not reflect the value at which the instrument could be realized under current circumstances.
Management has calculated *that* the fair value of certain balance sheet instruments does not differ significantly from their carrying amounts. These balance sheet instruments include cash, bank deposits, and other short-term assets and liabilities that are contractual in nature.

Management believes that the carrying amount of these specific financial assets and liabilities approximates their fair value, partly due to their short-term nature.

Loans and advances to customers

Loans and advances are carried at amortized cost less any provisions for impairment. The fair value of fixed-rate loans is the discounted amount of the future cash flows expected to be received. To determine fair value, expected future cash flows are discounted using market interest rates prevailing at the date of the statement of financial position. Fair value includes expected future losses, while amortized cost and impairment include only losses incurred at the balance sheet date.

Receivables

Receivables are short-term and, as a result, their fair value is approximately equal to their carrying amount.

Other financial assets

The carrying amount of loans received is close to their fair value due to the similar levels of interest rates on loans (7%) and market interest rates.

Payables to suppliers and customers

Payables to suppliers and customers are short-term liabilities and, as a result, their fair value is approximately equal to their carrying amount.

3.6. Changes in liabilities arising from financing activities

The following table summarises changes *in* liabilities arising from financial activities, including both cash flow- related changes and non-cash changes, and contains a reconciliation between the opening and closing balances in the statement of financial position of liabilities arising from financial activities for the year ended December 31, 2024.

	January 1, 2024	**Cash inflows**	**Cash outflows**	**Net intercepted amounts**	**New contracts**	**Accruals using the effective interest metod**	**Other**	December 31, 2024
		thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN
Other financial liabilities Lease	4,236	2,741	(1,754)	(245)		631		**5,609**
Total Liabilities	10		-	(82)	197	10	-	135
Liabilities from financial activities	4,246	5,475	(4,825)	(87)		525		**5,744**

	January 1 2023	Cash inflows	Cash outflows	Net intercepted amounts	New contracts	Accruals using the effective interest rate method	Other	December 31 2023
	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN	thousand BGN
Other financial liabilities	4,805	3,734	(4,815)	(5)		517		4,236
		-	( )	(87)	-	8	-	
Lease Liabilities	99		10					10
Total liabilities from financial activity	**4,904**	**3,734**	**(4,825)**	(92)	-	**525**	-	4,246

Capital risk management

The main objectives of the Company's management in managing capital, which is a broader concept than "equity" as presented in the balance sheet of these financial statements, are:

« to maintain the Company's ability to function as a going concern so that it can continue to provide returns to shareholders and profits to stakeholders, as well as:

• maintain a strong capital base to support the development of its business and reduce the cost of capital.

The Company monitors capital on the basis of the ratio of capital to net debt.

The company determines capital based on the carrying amount of equity presented in the statement of financial position.

Net debt includes the sum of all liabilities/loans, trade and other liabilities, less the carrying amount of cash and cash equivalents.

The capital for the reporting periods presented can be analyzed as follows:

	31.12.2024 BGN thousands	31.12.2023 BGN thousands
Equity	6,309	7,403
Adjusted equity	6,309	7,403
Total liabilities/loans/borrowings, trade and other payables	5,976	4,931
Cash and cah equivalents	(222)	(267)
Net debt	5,754	4,664
Adjusted capital to net debt ratio	1:0.91	1:0.63

3.7. Accounting estimates and judgments in applying accounting policies

Estimates and judgments are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and significant assumptions are reviewed on an ongoing basis. Adjustments to accounting assumptions are recognized in the period in which the assumption is revised and in all future periods affected.

The presentation of financial statements in accordance with International Financial Reporting Standards requires management to make best estimates, accruals, and reasonably supported assumptions that affect the reported amounts of assets and liabilities, income and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates, accruals, and assumptions are based on information available at the date of the financial statements, and actual results may differ from them. Items that involve a higher degree of subjective judgment or complexity, or where assumptions and approximate accounting estimates are material to the financial statements, are disclosed below.

Expected credit losses

Credit losses represent the difference between all contractual cash flows due to the Company and all cash flows that the Company expects to receive. Expected credit losses are a probability-weighted estimate of credit losses that require the Company's judgment. Expected credit losses are discounted using the original effective interest rate (or the adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company does not recognize impairment for fully guaranteed loans, as the loans granted to customers are 100% guaranteed by the Guarantor Company. Cash Credit Mobile considers that the probability of loss given default (LGD) is 0%.

When determining the amount of expected credit loss (OK3), the Company applies the following principles:

- in the absence of a significant increase in the credit risk of a financial instrument compared to its initial recognition, an impairment loss is recognized in the amount of the calculated expected 12-month credit loss;
- if there is a significant increase in the credit risk of a financial instrument compared to its initial recognition, an impairment loss is recognized in the amount of the estimated expected credit loss for the entire life of the asset.

The Company has developed a methodology for calculating the impairment of financial assets, which is described in Note 2.7.

Other financial liabilities

The Company participates in a shared financing platform (Mintos). Other financial liabilities represent Cash Credit Mobile's obligations to users of the platform for receivables sold under loan agreements. Under the agreement between Mintos and Cash Credit Mobile EAD, Cash Credit Mobile EAD undertakes to repurchase the sold receivables if they are past due for more than 60 days. Therefore, it has been assessed that Cash Credit Mobile EAD still bears the risk of default on the loan agreements granted to users of the platform. For this reason, the above-mentioned receivables under loan agreements are not written off from the Company's statement of financial position.

Useful lives of vehicles and equipment and intangible assets

The financial reporting of vehicles and equipment and intangible assets involves the use of approximate estimates of their expected useful lives and residual values, which are based on the Company's management's judgment. Information on the useful lives of vehicles and equipment and intangible assets is presented in Note 2.11 and Note 2.12, respectively.

Lease agreements - determining the appropriate discount rate for measuring lease liabilities

When the Company cannot easily determine the interest rate included in the lease, it uses its incremental borrowing rate (IBR) to determine the value of the lease obligations. The IBR is the interest rate that the Company would have to pay to borrow for a similar term and with similar collateral to obtain the funds necessary to acquire an asset with similar value and characteristics to the right-of-use asset in a similar economic environment. Therefore, the IBR reflects what the Company "would have to pay," which requires an estimate when observable interest rates are not available (e.g., for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the term and conditions of the lease. The Company estimates the IBR using available data (such as market interest rates) when available and is required to make certain entity-specific estimates (such as a company credit rating).

4. Net income from interest and fees

	2024	2023
Interest income	3,892	4,386
Distribution by legal status of borrowers:		
Loans granted to individuals	3,892	4,386
Geographical distribution:		
Sofia	1,229	1,059
In the provinces	2,663	3,327
Interest expenses		
Interest expenses on loans placed on a crowdfunding platform	(530)	(441)
Interest related to right-of-use assets	(10)	(3)
Interest on loans received		(49)
Total interest expense related to financial liabilities that are subsequently not recognized at fair value in profit or loss and Loss	**(540)**	**(493)**
Net interest and fee income	**3,352**	**3,893**

Interest expense on loans placed on a shared financing platform financing represent the return that the Company owes to investors from its participation in a shared financing platform.

5. Other income

	2024 BGN thousand	2023 BGN thousand
Revenue from fees and commissions	35	43
Revenue from the sale of services	90	212
Total	125	255

6. **Operating expenses**

	2024 BGN thousands	2023 BGN thousands
Advertising and marketing expenses	(759)	(695)
Personal expenses(appendix b.1)	(996)	(919)
Commissions	(489)	(400)
Administrative expenses	(276)	(241)
Depreciation (app. 11, 12)	(88)	(135)
Audit, legal and accounting services	(50)	(29)
Communication service expenses	(20)	(26)
Expenses for materials, repairs, and other services related to vehicle operation	(4)	(14)
Expenses for impairment and write-off of receivables	(1)	(1)
Rental and maintwnance expenses	(4)	(19)
Travel expenses		(5)
Other expenses	(145)	(31)
total	(2,832)	(2,514)

Commission expenses include commissions for intermediation in connection with the provision of loans and collection of loan installments, as well as *commissions* for the use of a shared financing platform (Mintos).

6.1. **Personnel expenses**

	2024 BGN thousand	**2023 BGN thousand**
Remuneration and salary expenses	(856)	(818)
Social security expenses	(115)	(101)
Other personnel expenses	25	
Total	**(996)**	**(919)**

7. **Cash and cash equivalents**

	31.12.2024 BGN thousand	**31.12.2023 BGN thousand**
Cash in banks	215	261
Cash on hand	7	6
Total	**222**	**267**

The company has no blocked cash funds.

8. Receivables from suppliers and customers

	31.12.2024 BGN thousand	**31.12.2023 BGN thousand**
Receivables from customers	101	29
Deposits	20	20
Receivables from related parties (Note 21)	212	
Total	**333**	**49**

The receivables are current and are repaid regularly. The net carrying amount of trade and other receivables is considered a reasonable approximation of their fair value.

Receivables from the related party Cash Credit EAD are presented as receivables from subcontractors. They are presented net and relate to a liability for loans granted, reduced by the collected instalments in the amount of BGN 25,430 thousand. (as at 31.12.2023: BGN 23,473 thousand), a liability for services rendered of BGN 1,565 thousand (as at 31 December 2023: BGN 1,878 thousand), receivables for services rendered BGN 393 thousand (as at 31.12.2023: BGN 393 thousand), receivables for overdue guaranteed loan installments BGN 21,034 thousand (as at 31.12.2023: BGN 18,155 thousand), other liabilities BGN 642 thousand (as at 31 December 2023: BGN 546 thousand) and other receivables BGN 6,422 thousand (as at 31 December 2023:
BGN 6,942 thousand).

9. Loans and advances to customers

Distribution by legal status of customers	31 December 2024 BGN thousand	31 December 2023 BGN thousand
Loans granted to individuals	13,068	12,286
Geographical distribution		
Sofia	3,021	2,948
In the provinces	9,568	9,338
Loans and advances, gross	**13,068**	**12,286**
Less: allowance for expected credit losses on loans granted	(479)	(411)
	12,589	**11,875**

Provision for expected credit losses on loans and advances to customers	2024 BGN thousands	2023 BGN thousands
Depreciation initial balance	**(411)**	**(911)**
Accrued for the period	(68)	500
Depreciation ending balance	**(479)**	**(411)**

As at 31 December 2024, the Company has a guarantee agreement for 80⁰ 3c of the loans granted to individual customers. The guarantee becomes effective if a receivable is both fully due and overdue for more than 90 days. The Company's unsecured loans are granted solely to customers with a good credit history and are subject to weekly and monthly operational reviews. Detailed information on the credit quality of the loans granted is presented in Appendix 3.2.

As at 31 December 2024, part of the loans in the amount of BGN 5,609 thousand (2023: BGN 4,236 thousand) were sold on a shared financing platform, for which the Company bears the risk of default. Detailed information is presented in Appendix 3.6.

Other assets

	31.12.2024 BGN thousand	31.12.2023 BGN thousand
Expenses for future periods	**5**	**3**
Total	**5**	**3**

10. Inventories

	31.12.2024 BGN thousand	31.12.2023 BGN thousand
Marketing program materials	47	49
Other matierlas	7	7
total	54	56

11. Vehicles and equipment

(All amounts are presented in thousands of BGN)	Transport vehicles	Computer equipment, furniture	office	total
On January 1, 2023	.	6	8	14
Carrying amount	.	89	26	115
Acquired		7		7
Written off		(37)		(37)
Accumulated depreciation		(83)	(18)	(101)
Accrued depreciation for the year		(5)	(3)	(8)
Depreciation written off	.	37		37
Balance sheet value as at 31 December 2023	**-**	**8**	**5**	**13**
Carrying amount		60	26	86
Accumulated depreciation		(52)	(21)	(73)

(All amounts are in thousands of BGN)	**Transport Means**	**Computer Machinery and equipment**	**Office furnishings**	**Total**
On January 1, 2024	-	8	5	13
Carrying amount		60	26	86
Acquired		1	6	7
Written off				
Accumulated depreciation		(52)	(22)	(74)
Accrued depreciation for the year		(6)	(3)	(9)
Depreciation written off				
Balance sheet value as at 31 December **2024**	-	3	7	10
Carrying amount		60	26	86
Accumulated depreciation		(5)	(25)	(83)

All depreciation expenses are included in the line "Operating expenses".

As at 31 December 2023 and 31 December 2024, there were no significant contractual obligations in relation to the purchase of vehicles and equipment.

The Company has not pledged vehicles and equipment as collateral for its obligations.

Impairment of vehicles and equipment

Based on the review of the impairment of vehicles and equipment, the Company's management has not identified any indicators that the carrying amount of the assets exceeds their recoverable amount.

Software products	Intellectual property rights	other intangible assets	total
31	**6**	**21**	**58**
140	12	30	182
	12	19	31
(109)	(5)	(9)	(123)
(31)	(2)	(5)	(38)

12. Intangible assets

(All amounts are expressed in thousands of BGN)				
As at 1 January 2023				
Carrying amount				
Acquired Written off				
Accumulated amortization				
Accrued depreciation for the year				
Depreciation written off	-	-	-	-
Carrying amount as at 31 December 2023	**0**			**17**
				35
				52
Carrying amount	140	24	49	213
Accumulated depreciation	(140)	(7)	(14)	(161)

(All amounts are expressed in thousands of BGN)	**Software products**	**Intellectual property rights**	**Other intangible assets**	**total**
On **January** 1**, 2024**	**0**	17	35	52
Carrying amount	140	24	49	213
Acquired			4	4
Written off				
Accumulated depreciation	(140)	(7)	(14)	(161)
Accrued depreciation for the year		(2)	(7)	(9)
Depreciation written off				
Book value as at 31 December 2024	**0**	**15**	**32**	**47**
Carrying amount	140	24	53	217
Accumulated depreciation	(140)	(9)	(21)	(17)

All depreciation expenses are included in the line "Operating expenses".

As at 31 December 2023 and 31 December 2024, there were no significant contractual obligations related to the purchase of intangible assets.

The Company has not pledged any intangible assets as collateral for its liabilities.

Impairment of intangible assets

The company performed an impairment review of intangible assets as at 31 December 2024. No indicators were found that the carrying amount of the assets exceeds their recoverable amount and, as a result, no impairment loss was recognised in the financial statements.

13. Payables to suppliers and customers

	December 31, 2024	December 31, 2023
	BGN thousand	BGN thousand
Liabilities to related parties-subcontractors (Appendix 21)		407
Liabilities to related parties (Note 21)		
Liabilities to suppliers	82	103
	82	**510**

14. Other financial assets

Cash Credit Mobile EAD has entered into an agreement with AS Mintos Marketplace, under which it participates in a shared financing platform (Mintos). Cash Credit Mobile EAD sells its receivables on loans granted to consumers on the platform and subsequently has an obligation to repurchase them if they are delinquent for more than 60 days. The cash flows related to the sale and maturity of the loans and interest thereon are carried out through the platform, without Cash Credit Mobile EAD having direct contact with the users of the platform. Credit Mobile EAD is obliged to accrue and pay interest to the users of the platform.
Under the agreement with AS Mintos Marketplace, the Company is required to comply with four financial indicators, which it reports on a quarterly basis. As of December 31, 2021, one of the interest coverage ratio indicators has not been met in accordance with the agreements, and as a result, on April 21, 2022, a guarantee agreement was concluded, which is valid until December 31, 2022. Cash Credit EAD acts as a guarantor for Cash Credit Mobile EAD on the AS Mintos Marketplace.
The financial data on which the indicators are calculated are consolidated data of Cash Credit Mobile EAD and Cash Credit EAD.

As of December 31, 2024, the calculated indicators on a consolidated basis are in line with those set out in the agreement. Liabilities to users of the shared financing platform as of 31 December 2024 amount to BGN 5,609 thousand. (as of 31 December 2023: BGN 3,987 thousand).

In 2022, the Company launched its own crowdfunding platform, FundClub, which operates on the same principle as AS Mintos Marketplace, and as at 31 December 2024 there are no obligations to consumers, as this type of crowdfunding has been discontinued (as at 31 December 2023: BGN 249 thousand).

15. Leasing

The Company has lease agreements for various properties and vehicles used in its operations. Leases for properties (office and warehouse) usually have terms of 3 to 5 years, while vehicles usually have a lease term of 4 years. The Company's obligations under its leases are secured by the lessor's ownership of the leased assets.

In August 2018, Fintech Services EAD (Lessee) (as of January 13, 2020, Cash Credit EAD became the successor to the Company) and President-City Park EOOD (Lessor) entered into an office space lease agreement. Under this agreement, Fintech Services EAD is allowed to sublease part of the premises as of January 1, 2019. As of January 13, 2020, the successor as a party to the agreement is Cash Credit EAD, which sublets part of the office premises to Cash Credit Mobile EAD under the same terms and conditions of the agreement.
For lease agreements for properties that include extension options, the Company has decided
decision at the end of 2023 to extend the term of the agreements in accordance with the clause in the ma

contract by three years from January 1, 2024. Apart from the extension of the contract term, there have been no other changes to the basic terms and conditions of the contract.

The balance sheet values of the recognised assets with right of use and the movements during the period:

	Office and warehouse BGN thousand	**Transport Total BGN thousand**	**Total BGN thousand**
On January 1, 2024	**0**	**7**	**7**
Carrying amount	0	54	**54**
Acquired	197	0	**197**
Accrued depreciation for the year	(65)	(3)	**(68)**
Written off	-	(51)	**(51)**
Revaluation as a result of extension of the term of contract	-	-	-
On December 31, 2024	**132**	**0**	**132**
Acquired	-	-	-
Accumulated depreciation for the year	**(65)**	**3**	**68**

The balance sheet values for lease liabilities and movements during the period are shown below:

On January 1	**10**	**99**
Acquired	197	
Accrued interes	10	
Interceptions	(82)	
Payments	-	
Revaluation resulting from contract extension	-	
On December 31	135	
Current	63	
Non-Current	62	

The amounts recognized in profit or loss are presented below

	31.12.2024 BGN thousand	31.12.2023 BGN thousand
Depreciation expense on assets with right of use	(69)	(48)
Interest expenses on loan obligations (Appendix 4)	(10)	(3)
Total amount recognized in profit or loss	**(79)**	**(48)**

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	31.12.2024 BGN thousand	31.12.2023 BGN thousand
Liabilities to staff and social security	108	146
Liabilities for other taxes (excluding corporate tax)	27	15
Provisions for expenses	-	7
TOTAL	**135**	**168**

16. Other liabilities

17. Income tax

Income tax differs from the theoretical amount that would be obtained using the basic tax rate as follows:

	2024	**2023**
Accounting result before taxes	577	1216
Tax at a tax rate of 10% (2023: 10%)	(58)	(122)
Effect of expenses not recognized for tax purposes and their reversal reversal		
Tax effect of losses carried forward and their reversal		6
Current income tax expense		
Income tax expense	(58)	(116)

In 2023, the Company recognizes deferred tax assets as follows:

Recognized deferred tax assets	**31.12.2024**	**31.12.2023**
Provisions for unused compensable leave of staff	4	3
Unpaid income of individuals	1	2
Provisions	-	1
Total	5	6

Unrecognized deferred tax assets as at 31 December 2024 relate to the following items:

Unrecognized deferred tax assets	**31.12.2024**	**1.12.2024**
Provisions for unused compensable leave of staff	-	-
Depreciation	-	-
Unpaid income to individuals	-	-
Provisions	-	-
TOTAL	-	-

As at 31.12.2024, the Company's corporate tax liability amounted to BGN 15 thousand. (2023: corporate tax receivable in the amount of BGN 5 thousand).

Since its establishment, the Company has not undergone a full tax audit. The tax authorities have the right to inspect the accounts and registers at any time within three consecutive years of the reporting tax period and to impose additional taxes and penalties. The Company's management is not aware of any circumstances that could lead to potential material liabilities in this regard.

18. Share capital

The total number of ordinary shares approved at the end of the reporting period is 5,940,700 shares (2023: 5,940,700 shares), each with a par value of BGN 10 (2023: BGN 10 per share). All shares issued as at 31 December 2024 are fully paid up. In 2023 and 2024, there was no change in the number of shares issued. As at 31 December 2024, **the sole shareholder of** the Company is Cash **Credit** Bulgaria EOOD, and the ultimate owner is Cash Credit Invest Holding AD.

19. Contingent liabilities and commitments

The Company has no contingent liabilities and commitments as at 31 December 2024.

During the year, legal claims were brought against the Company, which have no material effect on the Company's financial statements. The Company's management considers that the claims are unfounded and that the likelihood of them **resulting** in expenses and liabilities in an amount different from that already recognized by the Company upon their settlement is low. This assessment by management is supported by the opinion of the Company's legal advisors.

The Company's management believes that there are no significant risks related to the fiscal and regulatory environment that would require a change in the financial statements for the year ending December 31, 2024.

20. Non-cash transactions

During the reporting periods presented, the Company has carried out the following investment and financial transactions in which no cash or cash equivalents have been used and which are not reflected in the cash flow statement:

- The Company acquired non-current assets under lease agreements in the amount of BGN 0 thousand (2023: BGN 0 thousand).
- The Company granted loans amounting to BGN 39,223 thousand in 2024 (2023: BGN 40,715 thousand). Repaid loans amounted to BGN 39,655 thousand (2023: BGN 43,736 thousand). Loan servicing, including the provision of funds to borrowers and the collection of matured instalments, is carried out by an intermediary company.
  Lease contract liabilities amounting to BGN 82 thousand for 2024 have been offset. (2023: BGN 82 thousand).
  In 2024, the Company offset counterclaims with AS Milos Marketplace in the amount of BGN 245 thousand. (2023: BGN 170 thousand).

21. Related parties

Cash Credit Mobile EAD is controlled by Cash Credit Bulgaria EOOD, which owns 100% of the company's shares. Its parent company is Cash Credit Invest Holding AD. The owners of Cash Credit Invest Holding AD are the ultimate controlling persons of the Company. As at the date of the report, these are: Georgi Boyanov Krumov and Plamen Vasilev Petrov. Cash Credit Invest Holding AD is the ultimate parent company.

The key management personnel of the Company are the members of the Management Board and the Supervisory Board.

Sales to and purchases from related parties are made at agreed prices. Outstanding balances at the end of the year are unsecured, interest-free, and settled in cash. No guarantees have been provided or received for receivables from or liabilities to related parties.

Based on historical experience and after analysis, the company considers that receivables from related parties are fully collectible and does not recognize any impairment as at 31 December 2024. An impairment review is performed each financial year based on an analysis of the financial condition of the related party and the market in which it operates

Purchases from related parties under common control:	**2024 BGN thousands**	**2023 BGN thousands**
Cash Credit EAD (related by ownership) - Commission for intermediary services	287	262
Elektron Progres EAD (related through a member of the supervisory board) - IT services	0	1
TOTAL	**287**	**263**

The Company has entered into an intermediation agreement with Cash Credit EAD (related party), under which the Company owes a commission to Cash Credit EAD for activities performed by Cash Credit EAD on behalf of Cash Credit Mobile EAD, such as negotiating and granting loans, preparing the required documentation for concluding loan agreements, concluding loan agreements, providing funds under loan agreements, collecting instalments on loans granted, and others.

Interest expenses to related parties under common control	2024 BGN thousand	2023 BGN thousand
Cash Credit EAD (related party through ownership)	-	49
TOTAL	-	49

Interest expenses to Cash Credit EAD are related to transactions described above between the two companies. In case of delay on the part of Cash Credit Mobile EAD in its obligations to its commercial intermediary, Cash Credit Mobile EAD owes interest on the delayed amounts.

Liabilities to related parties under common control:	**31.12.2024**	**31.12.2023**
Cash Credit EAD (related by ownership) - commercial obligation	1,383	1,485
Cash Credit EAD (related party through ownership) — Liabilities related to loans granted	-	-
	1,383	**1,485**

Receivables from related parties under common control	**31.12.2024** **BGN thousand**	**31.12.2023** **BGN thousand**
Cash Credit EAD (related party through common ownership)	1,172	1,078
Total receivables from related parties:	**1,172**	**1,078**

22. Events after the reporting date

No adjusting events or significant non-adjusting events have occurred between the date of the financial report and the date of its authorization for publication, with the exception of:

As of June 20, 2024, Alisa Valeriya Ivanova is no longer a representative of the company and is no longer a member of the Management Board.