IuteCredit Bulgaria EOOD

ANNUAL FINANCIAL REPORT

December 31, 2024

Contents

ANNUAL REPORT ON ACTIVITIES AS OF 31 DECEMBER 2024

This activity report of IuteCredit Bulgaria EOOD (the "Company") presents comments and analysis of the annual financial report and other material information regarding the financial condition and results of the Company's activities for 2024. It has been prepared in accordance with the requirements of Article 39 of the Accounting Act and the requirements of the Commercial Act.

1. General information about the Company

IuteCredit Bulgaria EOOD (the "Company") is a single-member limited liability company registered with the Registry Agency under UIC 205559807, with its registered office and address of management at 38 Cherkovna Street, floor 1, office 4.

IuteCredit Bulgaria EOOD is a financial institution within the meaning of the Credit Institutions Act (CIA), Art. 3, paras. 1 and 2, with its main activity being the granting of loans with funds not raised through public solicitation of deposits or other repayable funds, as well as the provision of other financial services permitted under Art. 3 of the Credit Institutions Act.

The company provides loans to individuals in amounts up to BGN 10,000 for a maximum term of 48 months. The company's clients are local individuals with good credit history.

The company has a single-tier management system.

As of December 31, 2024, the Company's share capital is BGN 17,200 thousand, divided into 17,200 shares with a nominal value of BGN 1,000. The purpose of the capital increase by BGN 2,000 thousand in 2024 is to secure the development of the business.

As of December 31, 2023, the Company's share capital is BGN 15,200 thousand, divided into 15,200 shares with a nominal value of BGN 1,000.

The sole owner of the capital is Iute Group AS, Identification 11551447, a foreign legal entity, Estonia.

As of December 31, 2024, the Company is managed by Liga Lemberga.

On January 19, 2024, a change in the management bodies was entered in the Commercial Register, with Rosen Antov being added as a manager. On October 24, 2024, Irina Kraicheva was removed as manager. On November 4, 2024, Liga Lemberga was added as a manager.

The managers represent the Company jointly and severally.

IuteCredit Bulgaria EOOD offers customers the opportunity to apply for and receive a loan via the web, a mobile app, and a distribution network.

The company has four offices in Sofia, Plovdiv, Varna, and Stara Zagora.

As of December 31, 2024, the company's total number of employees under employment contracts was 43 (December 31, 2023 – 40 employees).

2. Financial results

At the end of 2024, loans granted amounted to BGN 35,254 thousand, while at the end of 2023, they amounted to BGN 21,170 thousand, representing an annual growth of 66%.

The main factor for this increase is the significantly higher level of newly granted loans during the year as a result of attracting new customers and retaining existing ones.

The company finances its activities through funding provided by its parent company.

The company has received a loan from Iutegroup AS, Estonia (parent company) under a loan agreement dated November 24, 2021, maturing on October 1, 2026. The interest rate under the loan agreement is fixed at 10%.

As at 31 December 2024, the loan liability amounts to BGN 30,778 thousand, and as at 31 December 2023 it amounted to BGN 15,008 thousand.

The Company's revenues consist mainly of interest and fees. In 2024, they amounted to BGN 14,381 thousand, compared to BGN 8,918 thousand at the end of 2023.

Revenues from interest and fees on loans granted at the end of 2024 include:

- Interest income on loans granted – BGN 5,878 thousand;
- Revenues from additional fees and conditions under loan agreements – BGN 8,503 thousand;

Other income amounts to BGN 4,528 thousand (BGN 1,125 thousand for 2023) and includes:

- Revenue from interest on arrears, collection and court fees – BGN 1,756 thousand;
- Income from insurance commissions – BGN 1,136 thousand;
- Service fees not related to lending – BGN 27 thousand;
- Revenue from the sale of assigned receivables – BGN 1,826 thousand;
- Other income – BGN 72 thousand;
- Commission expenses – BGN (289) thousand.

Administrative expenses for 2024 amounted to BGN 10,749 thousand, compared to BGN 8,383 thousand in 2023, representing an increase of BGN 2,366 thousand, or 28%.

Of these, the administrative expenses with the most significant share are:

- Remuneration and social security expenses (BGN 2,622 thousand), (BGN 2,005 thousand for 2023);
- Guarantee fee (BGN 3,392 thousand), (BGN 2,011 thousand for 2023);

- Management fee (BGN 1,086 thousand), (BGN 1,630 thousand for 2023);
- Marketing and sales expenses (BGN 1,668 thousand), (BGN 1,471 thousand for 2023);

Interest expenses for the period amounted to BGN 2,335 thousand, compared to BGN 1,205 thousand for 2023, or an increase of BGN 1,130 thousand. Of these:

- Interest expenses on a loan from Iute group AS – BGN 2,275 thousand (BGN 1,140 thousand for 2023);
- Interest expenses under IFRS 16 – BGN 60 thousand (BGN 65 thousand for 2023)

In 2024, the impairment expenses on loans granted amounted to BGN 8,306 thousand, compared to BGN 5,316 thousand for 2023.

In 2024, the Company recorded a net loss of BGN 2,269 thousand (BGN 4,380 thousand at the end of 2023), mainly due to significant impairment charges on financial assets (BGN 8,306 thousand) as a result of the significant increase in newly granted loans during the year.

3. Related parties

The Company's related parties include the sole owner of the capital, Iute Group AS, other companies in the group, and key management personnel.

The Company discloses the following related parties:

Owner of the capital:

Iute Group AS, Identification 11551447, foreign legal entity, country: Estonia.

Entities under common control:

- O.C.N. "IUTE CREDIT" S.R.L. ("ICM"), Moldova;
- IuteCredit Albania SH.A ("ICA"), Albania;
- IutePay SH.P.K ("IutePay Albania"), Albania;
- IuteCredit Macedonia DOOEL ("ICMK"), North Macedonia;
- IuteCredit Kosovo JSC ("ICKO"), Kosovo;
- IutePay Bulgaria EOOD, Bulgaria;
- MKD IuteCredit BH d.o.o. Sarajevo ("ICBH"), Bosnia and Herzegovina;
- B.C. Energbank S.A, Estonia;
- IUTE SAFE AD, North Macedonia;
- IuteCredit Romania IFN S.A, Romania.

Other companies that are related parties:

- OÜ Alarmo Kapital, Estonia;
- OÜ Kavass, Estonia;
- IuteCredit Finance S.à r.l, Luxembourg;
- Super Mart OÜ, Estonia;
- Super Mart Albania SH.P.K, Albania;
- Super Mart Bulgaria EOOD, Bulgaria;
- Super Mart DOOEL Skopje, North Macedonia;
- Arco Vara AS, Estonia;
- Aia Tänav OÜ, Estonia.

Key management personnel of the parent company as at 31 December 2024:

- Tarmo Sild - Chief Executive Officer
- Alar Ninna - Chairman of the Supervisory Board
- Kristi Sild - Member of the Supervisory Board
- Janus Otsa - Member of the Supervisory Board
- Kadi Raudsepp - Procurator

Key management personnel of the Company as of December 31, 2024:

- Liga Lemberga
- Rosen Georgiev Antov

On January 19, 2024, a change in the management bodies was entered in the Commercial Register, with Rosen Georgiev Antov being added as a manager. On October 24, 2024, Irina Kraicheva was removed as manager. On November 4, 2024, Liga Lemberg was added as a manager.

Information regarding the manager's participation as an unlimited liability partner, participation in the management and ownership of 25% or more of the capital of other companies:

Liga Lemberga:

- Traversare EOOD, Latvia, Riga, LV-1012
- Investing OOD, Latvia, Riga

Rosen Antov:

- no participation

In 2023, IuteCredit Bulgaria EOOD conducts transactions with IuteGroup AS.

The settlements between IuteCredit Bulgaria EOOD and IuteGroup AS are as follows:

	December 31, 2024	31.12.2023
	thousand BGN	*thousand BGN*
Loan received	**30,778**	**15,008**

The transactions between IuteCredit Bulgaria EOOD and IuteGroup AS are as follows:

	2024	2023
	thousand BGN	*thousand BGN*
Interest expenses	(2,275)	(1,140)
Management fee and guarantee fee expenses	(4,478)	(3,641)
	(6,753)	**(4,781)**

The transactions between IuteCredit Bulgaria EOOD and IutePay EOOD are as follows:

	2024	2023
	thousand BGN	*thousand BGN*
Expenses for external services	**-**	**(27)**

Terms and conditions of transactions with related parties

Loans and transactions with related parties are at contractual prices that do not differ from market prices.

Apart from loans received from related parties, the Company does not report any other liabilities arising from financial activities that need to be disclosed in accordance with Paragraphs 44 A - 44 D of IAS 7.

Cash flows from financing activities

Liabilities arising from financing activities	As at 1 January	Cash received	Cash paid	Accrued interest	On December 31 December
Loans received	**15,008**	**14,473**	**(978)**	**2,275**	**30,778**

4. Other information and corporate social responsibility

IuteCredit EOOD continues to develop and improve its products, working to expand its network of partners. New features are being added to the mobile app and website to make things easier for customers. At the same time, and implementing various models for assessing the creditworthiness and solvency of potential and existing customers, which will lead to improved debt collection and credit portfolio quality.

The company is actively working to establish itself as one of the leading brands in the Bulgarian non-banking financial market. IuteCredit EOOD is strongly committed to responsible lending, providing clear and transparent terms and conditions and complying with ethical standards.

Proof of the success of these efforts are the prestigious awards and distinctions received, which confirm the Company's commitment to maintaining high standards in team management and innovation.

In 2024, IuteCredit EOOD participated in "Favorite Brand," becoming a finalist in three categories:
"Innovative Brands," "Fintech Companies," and "Financial Institutions."

The company actively participates in several important forums on e-commerce, digital services, and risk management.

5. Probable future development of the company

In the coming years, IuteCredit Bulgaria EOOD will continue to pursue its strategy of establishing itself as a leading fintech company on the Bulgarian market, focusing on sustainable growth, technological innovation, and an exceptional customer experience.

The future development of the company will be concentrated on technological innovation and digitalisation through the development of the mobile application. There are plans to integrate new functionalities that go beyond standard lending. The use of automated models for optimizing risk assessment processes will be strengthened, allowing for faster and more accurate approval, as well as personalized offers for each customer.

There are plans to expand the product range beyond traditional consumer loans by working on the introduction of more flexible financial instruments. Maintaining the high quality of the loan portfolio through responsible lending and continuous improvement of creditworthiness assessment models remains a key priority. The aim is to achieve balanced revenue growth and cost optimization in order to ensure the long-term financial stability and profitability of the company.

The management of IuteCredit Bulgaria EOOD is confident that pursuing these strategic priorities will enable the company not only to adapt to the dynamic market environment, but also to strengthen its competitiveness, expand its customer base, and create long-term value for its customers and partners.

6. Activities in the field of research and development

The company did not carry out any research and development activities during the reporting period.

7. The company has no registered branches.

8. Events after the date of the financial report

On July 3, 2025, a change in the management of the company was entered in the Commercial Register, whereby Rosen Georgiev Antov was removed as manager.

By decision of the sole owner dated June 16, 2025, a decision was made to increase the capital by BGN 3,000 thousand to BGN 20,200 thousand. After the increase, the capital is divided into 20,200 shares of BGN 1,000 each.

No other adjusting or significant non-adjusting events occurred between the date of the annual financial report and the date of its approval for publication.

Date: July 16, 2025

Manager:

/ Liga Lemberga/

LIGA LEMBERGLEMBERGA

Digitally signed by LIGA LEMBERGLEMBERGA
Date: 2025.07.16 17:08:05

REPORT OF THE INDEPENDENT AUDITOR

TO THE SOLE OWNER OF

IUTECREDIT BULGARIA EOOD

Opinion

We have audited the financial statements of **IUTECREDIT BULGARIA EOOD** (the "Company"), which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the explanatory notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and its financial results from operations and cash flows for the year then ended, in accordance with IFRS accounting standards as adopted by the European Union (EU).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the section of our report entitled "Auditor's Responsibilities for the Audit of the Financial Statements." We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards on Independence) of the International Ethics Standards Board for Accountants (the IFAC Code), together with the ethical requirements of the Independent Financial Audit and Sustainability Assurance Act (IFAA), applicable to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the ZNFOISU and the ISA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant uncertainty related to the going concern assumption

We draw attention to Appendix 4. "Going concern" of the financial statements, which states that the Company reported a net loss of BGN 2,269 thousand for the year ended December 31, 2024. Accumulated losses as at 31 December 2024 amount to BGN 11,951 thousand. Cash flows from operating activities are negative in the amount of BGN 11,100 thousand. As at 31 December 2024, the registered capital of
UTECREDIT BULGARIA EOOD is BGN 17,200 thousand, which exceeds the Company's net assets as at that date by BGN 14,220 thousand. The Company is in a state of over-indebtedness within the meaning of Article 742 of the Commercial Act.

As stated in Appendix 4. "Going concern," these events indicate that there is significant uncertainty that could raise substantial doubts about the Company's ability to continue as a going concern.

Management has received a formal guarantee from the owners of the capital to provide the necessary support to the company so that it can meet its obligations.

Our opinion is not modified in this respect.

Other information, other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information consists of a management report prepared by management in accordance with Chapter Seven of the Accounting Act, but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Additional matters required to be reported by the Accounting Act

In addition to our responsibilities and reporting under ISAs, with respect to the activity report, we also performed the procedures added to those required by ISAs, in accordance with the "Guidelines on new and expanded audit reports and communication by the auditor" of the professional organization of registered auditors in Bulgaria, These procedures involve checks on the existence, form, and content of this other information to assist us in forming an opinion on whether the other information is included in the financial statements. These procedures relate to checks on the existence, as well as checks on the form and content of this other information in order to assist us in forming an opinion on whether the other information includes the disclosures and reports required by Chapter Seven of the Accounting Act applicable in Bulgaria.

Opinion in relation to Article 37, paragraph 6 of the Accounting Act

Based on the procedures performed, our opinion is that:

a) The information included in the activity report for the financial year for which the financial statements have been prepared is consistent with the financial statements.

b) The activity report has been prepared in accordance with the requirements of Chapter Seven of the Accounting Act.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, falsification, deliberate omissions, statements designed to mislead the auditor, and the disregard or circumvention of internal controls.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to operate as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management, among other matters, the planned scope and timing of the audit and significant findings of the audit, including any significant deficiencies in internal control that we identify during our audit.

Audit firm

"AELB BULGARIA" LTD

Registration number 017

Stoycho Kirilov Milev Digitally signed by Stoycho Kirilov Milev Date: 2025.07.16 17:38:23

Stoycho Milev

Manager

DIMITRINA YORDANOVA STOYANOVA Digitally signed by DIMITRINA YORDANOVA STOYANOVA Date: 2025.07.16 17:36:49 +03

Dimitrina Stoyanova

Registered auditor responsible for the audit Registration number

0880

July 16, 2025

Statement of financial position for the year ended December 31

In thousands of levs	Appendices	December 31 2024	December 31 2023
Assets			
Cash and cash equivalents	12	2,291	551
Loans granted to customers	13	31,730	17,619
Property, plant and equipment	14	42	13
Assets with right of use	15	365	425
Deferred tax assets	16	1,505	1,287
Other current assets	17	99	11
Total assets		**36,032**	**20,005**
Equity			
Share capital	18	17,200	15,200
Accumulated losses		(11,951)	(7,571)
Loss for the year		(2,269)	(4,380)
Total equity		**2,980**	**3,249**
Liabilities			
Long-term loans received	19	30,778	15,008
Trade payables	20	840	44
Lease liabilities	21	424	473
Current tax liabilities		27	22
Other current liabilities	22	983	813
Total liabilities		**33,052**	**16,756**
Total equity and liabilities		**36,032**	**20,005**

The annual financial report was approved on July 16, 2025, by the Company's Manager. The explanatory notes on pages 5 to 33 are an integral part of the annual financial report.

Liga Lemberg
Manager

LIGA LEMBERGA Digitally signed by LIGA LEMBERGA Date: 2025.07.16 17:08:31

Lilia Stefanova Chief Financial Officer

LILIA HRISTOVA STEFANOVA Digitally signed by LILIA HRISTOVA STEFANOVA Date: 2025.07.16 13:54:44

Audit company

HLB Bulgaria Ltd
Reg. No. 017

Stoycho Milev
Manager

Stoycho Kirilov Milev Digitally signed by Stoycho Kirilov Milev Date: 2025.07.16 17:38:40

Dimitrina Stoyanova

DIMITRINA YORDANOVA STOYANOVA Digitally signed by DIMITRINA YORDANOVA STOYANOVA Date: 2025.07.16 17:37:07 +03

Registered auditor responsible for the audit
Reg.

Statement of profit or loss and other comprehensive income for the year ended December 31

In thousands of levs	**Appendices**	**2024**	**2023**
Interest and fee income	6	14,381	8,918
Interest expenses	7	(2,335)	(1,205)
Net interest income and similar		**12,046**	**7,713**
Other operating income	8	4,528	1,125
Losses from impairment of loans		(8,306	(5,316)
Total administrative and operating expenses	9	(10,749)	(8,383)
Financial expenses	10	(6)	(
Loss from operations before taxes		**(2,487)**	**(4,865)**
Tax expenses	11	218	485
Loss for the year		**(2,269)**	**(4,380)**
Other comprehensive income			
Total comprehensive income for the year		**(2,269)**	**(4,380)**

**restated, reclassified*

The annual financial report was approved on July 16, 2025, by the Company's Manager. The explanatory notes on pages 5 to 33 are an integral part of the annual financial report.

Liga Lemberga
Manager

LIGA LEMBERGA Digitally signed by LIGA LEMBERGA Date: 2025.07.16 17:08:43

Lilia Stefanova Chief Financial Officer

LILIA HRISTOVA STEFANOVA Digitally signed by LILIA HRISTOVA STEFANOVA Date: 13:55:47

Auditing company
HLB Bulgaria Ltd. Reg. No. 017

Dimitrina Stoyanova
Registered auditor responsible for the audit
Reg. No. 0880

DIMITRINA YORDANOVA STOYANOVA Digitally signed by DIMITRINA YORDANOVA STOYANOVA Date: 2025.07.16 17:37:20

Stoycho Milev
Manager

Stoycho Kirilov Milev Digitally signed by Stoycho Kirilov Milev Date: 2025.07.16 17:38:51 +03

Statement of changes in equity for the year ended December 31, 2024.

In thousands of leva	**Share capital**	**Uncovered loss**	**Current loss**	**Total equity**
Balance as of January 1, 2023	**8,200**	**(1,922)**	**(5,649)**	**629**
Capital increase	7,000	-	-	7,000
Loss for the year	-	-	(4,380)	(4,380)
Total comprehensive income for the year	-	-	(4,380)	(4,380)
Transferred to unrecognized loss	-	(5,649)	5,649	-
Balance as at December 31, 2023	**15,200**	**(7,571)**	**(4,380)**	**3,249**
Capital increase	2,000	-	-	2,000
Loss for the year	-	-	(2,269)	(2,269)
Total comprehensive income for the year	-	-	(2,269)	(2,269)
Transferred to uncovered loss	-	(4,380)	4,380	-
Balance as at December 31, 2024	**17,200**	**(11,951)**	**(2,269)**	**2,980**

The annual financial report was approved on July 16, 2025, by the Company's Manager. The explanatory notes on pages 5 to 33 are an integral part of the annual financial report.

Liga Lemberga
Manager

LIGA LEMBERGA
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LIGA LEMBERGA
Date:
17:08:55

Lilia Stefanova
Financial Director

LILIA HRISTOVA STEFANOVA
Digitally signed by LILIA HRISTOVA STEFANOVA
Date: 2025.07.16 13:56:15

Auditing company
HLB Bulgaria Ltd. Reg. No. 017
Stoycho Milev
Manager

Stoycho Kirilov Milev
Digitally signed by Stoycho Kirilov Milev
Date: 2025.07.16 17:39:03

DIMITRINA YORDANOVA STOYANOVA
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Dimitrina Stoyanova
Registered auditor responsible for the audit Reg. No. 0880

Cash flow statement for the year ended December 31, 2024

In thousands of levs	**2024**	**2023**
Cash flow from operating activities		
Payments to personnel	(1,904)	(1,250)
Payments to suppliers	(8,062)	(6,284)
Other receipts (payments), net	(1,134)	(807)
Cash flow from operating activities, net	**(11,100)**	**(8,341**
Changes in operating assets and liabilities		
Proceeds from loans granted	40	25,623
Payments on loans granted	(42,699)	(29,028
Net cash flow from operating activities	**(2,604**	**(3,405)**
Cash flow from investing activities		
Purchase of property, plant, and equipment	(51	(
Net cash flow from investing activities	**(51**	**(10**
Cash flow from financing activities		
Proceeds from the owner for capital increase	2,000	7,000
Proceeds related to loans received	14,473	7,668
Payments related to loans received	(978)	(3,911
Net cash flow from financing activities	**15,495**	**10,757**
Net increase (decrease) in cash and cash equivalents	**1,740**	**(999**
Cash and cash equivalents at the beginning of the year	**551**	**1,550**
Cash and cash equivalents at the end of the year	**2,291**	**551**

The annual financial report was approved on July 16, 2025, by the Company's Manager. The explanatory notes on pages 5 to 33 are an integral part of the annual financial report.

Liga Lemberg

Manager

LIGA LEMBERGA Digitally signed by LIGA LEMBERGA Date: 2025.07.16 17:09:08

Lilia Stefanova

Chief Financial Officer

LILIA HRISTOVA STEFANOVA Digitally signed by LILIA HRISTOVA STEFANOVA Date: 2025.07.16 13:56:36

Auditing company

HLB Bulgaria Ltd. Reg. No. 017

Stoycho Milev
Manager

Stoycho Kirilov Milev Digitally signed by Stoycho Kirilov Milev Date: 2025.07.16 17:39:15

Dimitrina Stoyanova

DIMITRINA YORDANOVA STOYANOVA Digitally signed by DIMITRINA YORDANOVA STOYANOVA Date: 2025.07.16 17:37:42 +03'00'

Registered auditor responsible for the audit Reg. No. 0880

Explanatory notes to the annual financial report

1. General information and scope of activity

IuteCredit Bulgaria EOOD (the "Company") is a single-member limited liability company registered with the Registry Agency under UIC 205559807, with its registered office and address of management at 38 Cherkovna Street, Sofia, Oborishte district, floor 1, office 4.

The Company's scope of activity includes: financial leasing; guarantee transactions; acquisition of receivables on loans and other forms of financing (factoring, forfeiting, and others); acquisition of participations in a credit institution or other financial institution; granting of loans with funds not raised through public solicitation of deposits or other repayable funds; provision of other financial services permitted under Article 3 of the Credit Institutions Act, provided that if, in accordance with the applicable legislation, a permit, license, or registration is required to perform any activity, such activity shall be performed after obtaining such permit, license, or registration.

IuteCredit Bulgaria EOOD is a financial institution within the meaning of the Credit Institutions Act (CIA), Art. 3, paras. 1 and 2, with its main activity being the granting of loans with funds that have not been raised through public solicitation of deposits or other repayable funds, as well as the provision of other financial services permitted under Art. 3 of the Credit Institutions Act.

As of December 31, 2024, the Company's share capital is BGN 17,200 thousand, divided into 17,200 shares with a nominal value of BGN 1,000.

As at 31 December 2023, the Company's share capital is BGN 15,200 thousand, divided into 15,200 shares with a nominal value of BGN 1,000.

The owner of the capital is Iute Group AS, identification number 11551447, a foreign legal entity, Estonia.

As of December 31, 2024, the Company is managed by Liga Lemberga.

On January 19, 2024, a change in the management bodies was entered in the Commercial Register, with Rosen Antov being added as a manager. On October 24, 2024, Irina Kraicheva was removed as manager. On November 4, 2024, Liga Lemberga was added as a manager.

The managers represent the Company jointly and severally.

The Company has four offices in Sofia, Plovdiv, Varna, and Stara Zagora.

As of December 31, 2024, the Company had 43 employees under employment contracts (December 31, 2023 – 40 employees).

2. Basis for preparing the financial statements

The company keeps its accounting records in Bulgarian lev (BGN), which it accepts as its reporting currency. The data in the financial statements and the notes thereto are presented in thousands of levs.

The company's annual financial statements have been prepared in accordance with IFRS accounting standards developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU). Within the meaning of paragraph 1, item 8 of the Additional Provisions of the Accounting Act applicable in Bulgaria, these are the International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council.

3. Changes in accounting policy

3.1. New standards, amendments, and interpretations that have come into effect for the financial year beginning on January 1, 2024.

The Company has applied the following new standards, amendments, and interpretations to IFRS developed and published by the International Accounting Standards Board, which are relevant and effective for the Company's financial statements for the annual period beginning January 1, 2024, but their application has no material effect on the Company's financial results and financial position:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-Current, effective from January 1, 2024, adopted by the EU;
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Performance Conditions, effective from January 1, 2024, adopted by the EU;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Agreements, effective from 1 January 2024, adopted by the EU;
- Amendments to IFRS 16 Leases: Lease Liability on Sale and Leaseback, effective no earlier than January 1, 2024, adopted by the EU;
- European Sustainability Reporting Standards (ESRS), effective from 1 January 2024, adopted by the EU.

3.2. Standards and interpretations issued by the IASB that are not yet effective and are not applied by the Company at an earlier date

As of the date of approval for issuance of these annual financial statements, new standards, amendments, and interpretations to existing standards have been published but are not yet effective or have not been adopted by the EU for the financial year beginning January 1, 2024, and have not been applied by the Company at an earlier date. They are not expected to have a material effect 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 their effective date. The changes relate to the following standards:

- IFRS 14 Deferred Accounts in Regulated Prices, effective from January 1, 2016, not yet adopted by the EU;
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility, effective from 1 January 2025, not yet adopted by the EU;
- Amendments to IFRS 9 and IFRS 7 Changes in the Classification and Measurement of Financial Instruments, effective from January 1, 2026, have not yet been adopted by the EU;

- IFRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027, has not yet been adopted by the EU;
- IFRS 19 Subsidiaries Not Subject to Public Accountability: Disclosures, effective from 1 January 2027, has not yet been adopted by the EU;
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 1 — General requirements for disclosure of financial information related to sustainability, effective from January 1, 2024, not yet adopted by the EU;
- IFRS 2 — Climate-related disclosures, effective from 1 January 2024, not yet adopted by the EU.

4. Going concern

The going concern principle is a fundamental principle in the preparation of financial statements. Under this principle, an entity is generally regarded as continuing its operations in the foreseeable future without any intention or need to liquidate, cease trading, or seek protection from creditors as a result of existing laws or other regulations. Accordingly, assets and liabilities are reported based on the entity's ability to realize its assets and settle its liabilities in the normal course of business. In assessing whether the going concern principle is appropriate, management takes into account all available information for the foreseeable future, which covers at least, but is not limited to, the twelve months from the end of the reporting period.

As of the date of preparation of these financial statements, management has assessed the Company's ability to continue as a going concern based on the information available for the foreseeable future. After reviewing the Company's operations, management expects that the Company has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in preparing the financial statements. Management has assessed the applicability of the going concern principle as a fundamental principle in the preparation of the financial statements.

The Company reported a net loss of BGN 2,269 thousand for the year ended December 31, 2024. Accumulated losses as at 31 December 2024 amounted to BGN 11,951 thousand. Cash flows from operating activities were negative in the amount of BGN 11,100 thousand. As at 31 December 2024, the registered capital of IuteCredit Bulgaria EOOD amounts to BGN 17,200 thousand, exceeding the Company's net assets as at that date by BGN 14,220 thousand. The Company is in a state of over-indebtedness within the meaning of Article 742 of the Commercial Act.

The management has received an official guarantee from the owners of the capital to provide the necessary support to the company so that it can fulfill its obligations. Management expects that the Company will stabilize its financial position in the next reporting period. Management has no intention of reducing or terminating the Company's activities.

5. Significant information about accounting policy

5.1. General provisions

Significant information about the accounting policies applied in the preparation of the financial statements is presented below.

The financial statements have been prepared in accordance with the principles for measuring all types of assets, liabilities, income, and expenses in accordance with IFRS. The measurement bases are disclosed in detail below in the accounting policies of the financial statements.

5.2. Comparative data

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

When, for the purposes of a more reliable presentation of the reporting entities and operations, it is necessary to make changes in their classification and presentation as separate components of the annual financial statements, the comparative data for the previous period are reclassified to achieve comparability with the current reporting period. In the event of a change in accounting policy or correction of an error from a previous period, the correction is reflected retrospectively and the Company provides an additional statement of financial position at the beginning of the comparative period.

5.3. Reporting currency

The functional currency of the Company and the presentation currency of the Company's financial statements is the Bulgarian lev. Since January 1, 1999, the Bulgarian lev has been pegged to the euro at a rate of 1.95583 levs (BGN) = 1 euro (EUR). Upon initial recognition, a foreign currency transaction is recorded in the functional currency, applying the exchange rate at the date of the transaction or operation to the foreign currency amount. Cash and cash equivalents, loans and receivables, investments in securities, loans and other liabilities as monetary reporting items denominated in foreign currency are reported in the functional currency using the exchange rate published daily by the Bulgarian National Bank.

The most significant exchange rates for the Company's activities as at 31 December 2024 are as follows:

	December 31, 2024	**December 31, 2023**
	BGN	**BGN**
1 EUR equals	1.95583	1.95583

Non-monetary items in the statement of financial position that are initially denominated in a foreign currency are reported in the functional currency using the historical exchange rate at the date of the transaction and are not subsequently revalued at the closing rate.

5.4. Approximate accounting estimates

The presentation of financial statements in accordance with International Financial Reporting Standards requires management to make best estimates, accruals, and reasonable assumptions that affect the reported amounts of assets and liabilities, income, and expenses, as well as on the disclosure of contingent assets and liabilities at the reporting date. 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 in Note 5.16.

5.5. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Initial acquisition
The acquisition cost includes the purchase price, non-refundable taxes and fees payable on purchase, and all other direct costs necessary to bring the asset to working condition. Direct costs are: site preparation costs, initial delivery and handling costs, installation costs, fees for persons involved in the project, etc. The value threshold adopted by the Company for recognizing an asset in the property, plant, and equipment group is BGN 700, below which acquired assets, even if they have the characteristics of non-current assets, are recognized as a current expense.

Subsequent measurement
After initial recognition, non-current assets are reported at acquisition cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses
Subsequent expenditure incurred as a result of replacing a component of a tangible fixed asset that is accounted for separately is capitalized after the relevant separate component is derecognized. Other subsequent expenditures are capitalized only if they result in an increase in the economic benefits from the use of the asset beyond those originally identified for the asset. All other subsequent costs associated with maintaining the asset in working condition are recognized as current in the statement of profit or loss and other comprehensive income.

Depreciation
Depreciation is calculated using the straight-line method over the expected useful life of the depreciable fixed assets. The depreciation period for assets acquired under a lease agreement is the shorter of the term of the agreement and the useful life of the assets, except when it is almost certain that ownership will be acquired by the end of the lease agreement.

The expected useful lives are as follows:

Business equipment	15	(6.7 years)
Computer equipment and software	50	(2 years)

At the end of each financial year, the residual values, useful lives, and depreciation methods applied to assets are reviewed, and if significant deviations from the expected future useful life are identified, the useful life is adjusted. The adjustment is treated as a change in accounting estimates and is effective prospectively from the date of the change.

Disposal of non-current assets
Property, plant, and equipment are derecognized upon disposal or when no future economic benefits are expected from their use. Gains or losses arising on derecognition of the asset (representing the difference between the net proceeds from the sale, if any, and the carrying amount of the asset) are included in the statement of profit or loss and other comprehensive income when the asset is derecognized.

5.6. Leasing

The Company as a lessee

Assessment for lease recognition
The Company assesses whether a contract is or contains a lease. A lease is defined as
"a contract or part of a contract that grants the right to use an asset (the underlying asset) for a specified period of time in exchange for consideration." To apply this definition, the Company makes three key judgments:

- whether the contract contains an identifiable asset that is either explicitly stated in the contract or implied at the time the asset is made available for use;
- the Company has the right to receive substantially all of the economic benefits from the use of the asset throughout its useful life, within the defined scope of its right to use the asset under the contract;
- The company has the right to direct the use of the identified asset throughout its useful life.

Initial recognition and measurement
On the commencement date of the lease, the Company recognizes the right-of-use asset and the lease liability in the statement of financial position. The right-of-use asset is measured at acquisition cost, which consists of the initial measurement of the lease liability, initial direct costs incurred by the Company, an estimate of the costs that the lessee will incur to dismantle and remove the underlying asset at the end of the lease term, and any lease payments made before the commencement date of the lease, less any lease incentives received.

The Company depreciates the right-of-use asset using the straight-line method from the commencement date of the lease over the term of the lease. The Company also reviews right-of-use assets for impairment whenever there are indications that the asset may be impaired.

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments not paid at that date, discounted at the Company's incremental borrowing rate.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has already been reduced to zero.

The Company has elected to account for short-term leases (up to 12 months) and leases of low-value assets (up to EUR 5 thousand) using the practical expedients provided in the standard. Instead of recognizing right-of-use assets and liabilities under lease agreements, the related payments are recognized as an expense in profit or loss on a straight-line basis over the term of the lease agreement.

The Company as a lessor

As a lessor, the Company classifies its lease agreements as operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and is classified as an operating lease if it does not.

5.7. Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets

Recognition
The Company recognizes a financial asset when it becomes a party to the contractual terms of that instrument.

Classification
Upon initial recognition, financial assets are classified into three groups according to their subsequent measurement: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the Company's business model for managing it. The Company's business model for managing financial assets reflects the way in which it manages its financial assets to generate cash flows. The business model determines whether cash flows result only from the collection of contractual cash flows, the sale of financial assets, or both.

To be classified and measured at amortized cost, the terms of a financial asset must give rise to cash flows that are solely payments of principal and interest on the outstanding principal amount, and the financial asset must be held within a business model whose objective is to collect the contractual cash flows.

An asset is measured at fair value through other comprehensive income if the asset is held within a business model whose objective is to collect both the contractual cash flows and sell financial assets, and generates cash flows that are solely payments of principal and interest.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Measurement

Upon initial recognition, the Company measures a financial asset at its fair value. In the case of financial assets that are not measured at fair value through profit or loss, the direct transaction costs associated with acquiring the asset are added. An exception is trade receivables that do not contain a significant financing component – they are measured at transaction cost determined in accordance with IFRS 15.

After initial recognition, financial assets are measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

For the purposes of subsequent measurement of financial assets, the Company has classified its financial assets in the category Financial assets at amortised cost.

Financial assets at amortized cost are measured using the effective interest rate method. They are subject to impairment. The amortized cost of loans granted includes the portion of the outstanding principal, accrued interest and fees participating as part of the exposure of the financial instrument, and the amount of the accumulated credit impairment allowance.

The Company's financial assets at amortized cost include: cash and cash equivalents, loans granted, and trade and other receivables. A receivable from a customer arises and is recognized in the statement of financial position when the amount is granted to the customer.

Write-off

A financial asset is derecognized when the Company has no reasonable expectations of recovering the asset. An asset is derecognized 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 through a transfer agreement. The company has transferred substantially all the risks and rewards of ownership of the asset, or the company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of it.

Impairment

The company recognizes an adjustment (provision for impairment) for expected credit losses for all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are calculated as the difference between the contractual cash flows due under the terms of the contract and all cash flows that the company expects to receive, discounted at the original effective interest rate. Expected cash flows also include cash flows from the sale of collateral held or other credit enhancements that are an integral part of the terms of the contract.

Expected credit losses are calculated in a manner that reflects an objective amount weighted by the probability of loss, the time value of money, and information about past events, current conditions, and projected economic indicators.

To calculate expected credit losses on loans granted, the Company applies the general impairment approach set out in IFRS 9 Financial Instruments. The amount of expected credit losses recognized as an impairment allowance depends on the credit risk of the instrument at initial recognition and on changes in credit risk over subsequent reporting periods.

The analysis of expected impairment takes into account the Company's historical experience, the credit history of customers, and statistical data, using a model to assess the correlation of credit risk dependence on various macroeconomic indicators.

Three levels of credit risk classification have been introduced, with specific requirements for each level. Level 1 includes those financial instruments for which there has been no significant change in credit risk since initial recognition and the delay in agreed payments does not exceed 30 days. Level 2 includes instruments whose credit risk has increased significantly since initial recognition but for which there is still no objective evidence of loss. Level 3 includes financial instruments for which there is objective evidence of default and/or the delay in agreed payments exceeds 50 days.

At the end of each reporting period, the company's management assesses which level a financial asset belongs to. For loans that are not individually significant, expected credit losses are calculated collectively on a portfolio basis. Assets are grouped according to similar credit risk characteristics and considered together for impairment purposes.

The amount of impairment losses on loans granted is calculated as the difference between the recoverable amount and the carrying amount of the loans at the end of the reporting period. The loss is measured as the difference between the carrying amount of the asset and the recoverable amount of the loans, which is the present value of expected future cash flows discounted at the original effective interest rate for the loan. The Company calculates impairment amounts based on internally developed principles, rules, and techniques.

The amount of impairment of receivables is calculated based on an age analysis of receivables, history of customer relationships, problems with the payment status of borrowers, number of terminated contracts, and other factors that help to assess the collectability of the receivable.

The carrying amount of loans is reduced by using an allowance account for impairment losses. The amount of the loss is recognized in the statement of profit or loss and other comprehensive income. Future cash flows for a group of financial assets that are considered together for impairment are estimated based on contractual cash flows and historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted based on currently available data to reflect the effect of existing conditions that did not affect the period on which the historical loss experience is based and to eliminate the effects of conditions in the historical period that do not currently exist. The methodology and assumptions used to estimate future cash flows are reviewed regularly to reduce differences between estimates and actual losses. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event that arises after the impairment is recognized, the previously recognized impairment losses are reversed by reducing the impairment allowance account.

Financial liabilities

The company's financial liabilities include trade and other payables, loans, and other borrowed funds. Upon initial recognition, they are classified as liabilities at amortized cost.

Initially, all liabilities are recognized at fair value, and in the case of loans and borrowed funds, trade and other payables, net of directly attributable transaction costs.

Financial liabilities are measured at amortised cost, except for liabilities at fair value through profit or loss, financial guarantee contracts and others explicitly mentioned in IFRS 9.

After initial recognition, the Company measures interest-bearing loans at amortized cost using the effective interest method. The amortized cost is calculated taking into account any discounts or premiums on acquisition, as well as fees or costs that form an integral part of the effective interest rate. Amortization is included as a financial expense in the statement of profit or loss and other comprehensive income.

Financial liabilities are 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, that exchange or modification is treated as a derecognition of the original liability and the recognition of a new one. The difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting (netting) of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

This requirement stems from the actual economic substance of the relationship with a given counterparty, namely that when assets and liabilities coexist, the expected actual future cash flow and benefits from these settlements for the company is the net flow, i.e. the net amount reflects the actual right or obligation from these financial instruments – to receive or pay only the net amount.

The criteria applied to establish the existence of a current and legally enforceable right to offset are not dependent on a future event, i.e. it is not applicable only upon the occurrence of a future event, it is exercisable and enforceable by legal means in the ordinary course of business, in the event of default/delay and in the event of insolvency or bankruptcy.

5.8. Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in payment accounts with commercial banks.

Cash and cash equivalents for the purposes of the cash flow statement consist of cash on hand and cash in bank accounts—on demand and/or with an original maturity of three months or less—that are free from any restrictions.

5.9. Interest income and interest expense

Interest income and interest expense for all interest-bearing financial instruments are recognized as interest income and interest expense in the statement of profit or loss and other comprehensive income, applying the effective interest rate method for all instruments except those designated at fair value. The effective interest rate method is a method for calculating the amortized cost of a financial asset or financial liability and for allocating interest income or interest expense over the relevant period. The effective interest rate is the interest rate that exactly discounts the expected future cash payments or receipts for the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

In calculating the effective interest rate, the company estimates the cash flows, taking into account all contractual terms of the financial instrument, but does not take into account future expected credit losses. The calculation includes all agreed cash flows that are an integral part of the effective interest rate, transaction costs, and all other premiums and discounts.

5.10. Revenue from fees and commissions

The financing fee is received by the Company at the beginning of the loan agreement and is distributed over the term of the agreement. It is recognized on an effective interest rate basis in the same manner as interest income.

In addition, the Company generates income from fees related to post-lending management services. These include fees for sending reminder letters, text messages, fees for deferring payment due dates, etc. These fees are recognized as revenue on an ongoing basis when the relevant service is performed and payment for it is made.

5.11. Other income

Other income includes net positive results as well as gross income generated from activities outside the company's normal course of business and/or incidental activities. Other income includes income from operating leases, in accordance with the accounting policy and IFRS 16 Leases, as well as income from the sale of receivables and non-current assets. Other income includes written-off and non-payable liabilities.

5.12. Administrative and financial expenses

Expenses are recognized when incurred on an accrual basis and on the basis of matching revenues and expenses. Expenses for the current period are recognized when the corresponding revenues are accrued.

An expense is recognized immediately in the statement of profit or loss and other comprehensive income when the expense does not generate future economic benefits or when and to the extent that the future economic benefits do not meet or cease to meet the requirements for recognition of an asset in the statement of financial position.

Negative exchange differences are recognized as finance costs. Exchange differences arising from foreign currency transactions are recognized net in the statement of profit or loss and other comprehensive income.

5.13. Employee benefits

Employee benefits include all forms of remuneration for work performed by employees and the corresponding social security contributions required by law. In accordance with the requirements of IAS 19, accrued short-term employee benefits arising from unused employee leave and social security contributions on these benefits and other long-term benefits calculated on the basis of current social security rates are also included.

<u>Short-term employee benefits</u>
Short-term employee benefits are measured on an undiscounted basis and recognized as an expense when the related services are received. A liability is recognized for the amount expected to be paid in short-term bonuses if the Company has a legal or constructive obligation to pay that amount as a result of past services provided by employees and the obligation can be reliably estimated.

The company recognizes short-term liabilities for compensable leave arising from unused paid annual leave in cases where it is expected to be used within 12 months after the reporting period during which the employees performed the work related to such leave.

<u>Long-term employee benefits</u>

Defined contribution plans
The main obligation of the company as an employer in Bulgaria is to provide compulsory insurance for its employees.

The amounts of the insurance contributions are approved by the Social Security Budget Act for the relevant year. The contributions are distributed between the employer and the insured person in a ratio that changes annually and is determined by the Social Security Code. The total amount of the contribution for mandatory state social security and health insurance for 2024 is 32.7% for workers in the third category of labor.

These mandatory pension plans, implemented by the company in its capacity as an employer, are defined contribution plans.

The contributions payable by the company under defined contribution plans for social security and health insurance are recognized as a current expense in the statement of comprehensive income (in profit or loss), unless an IFRS requires this amount to be capitalized in the cost of a specific asset.

Defined benefit plans
Under the Labor Code, the company, as an employer in Bulgaria, is required to pay its employees upon retirement compensation amounting to two to six months' salary, depending on the length of service with the company at the date of termination of employment. The payment of these benefits depends not only on financial variables, but also on assumptions related to demographic factors. At each reporting date, management estimates the approximate amount of potential expenses payable at the current level of remuneration.

5.14. Tax

<u>Current taxes</u>
The Company's current tax liabilities do not arise from contractual relationships and are not classified as financial liabilities. Current tax is recognized as a liability to the extent that it has not been paid.

Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authorities using the tax rates and tax laws in effect at the balance sheet date.

<u>Deferred tax assets and liabilities</u>
Deferred tax assets and liabilities are recognized using the balance sheet method for all temporary differences at the balance sheet date that arise between the tax base of assets and liabilities and their carrying amount at the date of the financial statements.

A deferred tax liability is recognized for all amounts of tax payable in future periods related to taxable temporary differences.

A deferred tax asset is recognized for the recoverable amounts of taxes related to deductible temporary differences, carryforwards of unused tax losses and credits to the extent that it is probable that taxable profit will be available against which they can be utilized.

At each balance sheet date, the Company reviews unrecognized deferred tax assets. The Company recognizes deferred tax assets unrecognized in a previous period to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Company reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilized. Any such reduction is reversed to the extent that it has become probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Current and deferred taxes are recognized as income or expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event that is recognized in the same or a different period directly in equity.

5.15. Capital and reserves

IuteCredit Bulgaria EOOD is a single-member limited liability company registered in the Commercial Register.

The Company's equity consists of share capital, presented at nominal value in accordance with the decision for entry in the Commercial Register, which has been paid in full, and financial results, including, as at the date of the financial statements, uncovered losses from previous years and losses for the current year.

As of December 31, 2024, the Company's share capital is BGN 17,200 thousand, divided into 17,200 shares with a nominal value of BGN 1,000.

As of December 31, 2023, the Company's share capital is BGN 15,200 thousand, divided into 15,200 shares with a nominal value of BGN 1,000.

All income and expense items recognized for the period are included in profit or loss for the year, unless an IFRS standard or interpretation requires otherwise.

5.16. Critical judgments in applying accounting policies. Key estimates and assumptions with high uncertainty

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and, consequently, the reported amounts of assets, liabilities, income, and expenses. As a result, actual results may differ from these estimates.

Estimates and assumptions are reviewed periodically. The effect of changes in estimates is reflected in the period of the change and in future periods if the change affects more than one period.

The main estimates and assumptions applied in these financial statements are as follows:

Fair value

According to IFRS 13, fair value is defined as the price at which an asset could be sold or a liability transferred in an arm's length transaction between market participants at the measurement date in the principal (or most advantageous) market under current market conditions.

In its measurement, the Company uses a hierarchy of measurement methods based on the degree of observability of the data used to measure fair value. Observable data reflects market information obtained from an independent source, while unobservable data reflects the Company's market assumptions. The two types of data determine the following three levels in the fair value hierarchy:

Level 1 – Fair value measurement based directly on prices in an active market for identical assets or liabilities;

Level 2 – Fair value measurement based on observable data other than those in Level 1, but directly or indirectly based on them and relevant to the asset or liability;

Level 3 – Fair value measurement using valuation techniques involving data for the asset or liability that are not based on available market information (unobservable data).

The Company's policy is to disclose information about the fair value of those assets and liabilities for which market information is available and whose fair value differs significantly from the reported value.

The Company does not hold any financial assets or liabilities for which the disclosed fair value differs from level 3 of the hierarchy introduced above.

The fair value of cash, receivables, loans, and liabilities approximates their carrying amount.

<u>Impairment of loans and receivables</u>
The Company applies the requirements for impairment of financial assets by recognizing an allowance for expected credit losses in accordance with IFRS 9. Insofar as the Company only assumes credit risks related to the performance of its main activity, namely granting loans, the receivables subject to impairment review are current receivables on principal, interest and fees from past due instalments, as well as receivables arising from terminated loan agreements. All receivables are subject to review for indications of impairment at the date of the statement of financial position.

In the process of assessing credit risk, the Company classifies its loans into the following stages:

Stage 1 – performing loans with no significant increase in credit risk after initial recognition;

Stage 2 – performing loans with a significant increase in credit risk after initial recognition;

Stage 3 – loans more than 50 days past due, for which the Company considers that the debtor is unlikely to repay its obligations in full.

An impairment loss for uncollectibility is recognized when there are indications that the Company will not be able to collect all receivables and is recognized in the statement of profit or loss and other comprehensive income. The impairment of receivables represents the difference between the carrying amount of the receivable and its expected recoverable amount. As at 31 December 2024, the Company's management has assessed the collectability of its receivables.

Related to lease agreements

When identifying and classifying a lease or a lease element in a contract, the company's management makes a number of important assessments: whether there is a lease contract, including whether the contract contains an identified asset and whether it transfers control over the asset used for the relevant term of the contract; determining the term of the contract; determining the incremental interest rate on lease contracts.

5.17. Policy for reflecting errors

Errors from a previous period are omissions or misstatements in the Company's financial statements for one or more previous reporting periods resulting from the non-use or misuse of reliable information that was available at the time the financial statements for those periods were approved for publication and it was possible, by reasonable effort, to be obtained and taken into account in the preparation and presentation of those financial statements.

These errors include the effects of mathematical errors, errors in applying accounting policies, oversights, or misstatements of facts.

Errors may arise in connection with the recognition, measurement, presentation, or disclosure of components of the financial statements. Potential errors for the current period that are discovered during the current period are corrected before the financial statements are approved for publication. However, errors are sometimes discovered in a subsequent period, and these prior period errors are corrected.

An error from a prior period is corrected by restating the financial statements retroactively, unless it is impracticable to determine any of the specific effects for the period or the cumulative effect of that error.

5.18. Events after the statement of financial position date

Events after the balance sheet date are those events, both favorable and unfavorable, that occur between the balance sheet date and the date on which the financial statements are authorized for issue.

There are two types of events:

- those that demonstrate conditions that existed at the date of the statement of financial position (adjusting events after the date of the statement of financial position);
- those that are indicative of conditions that arose after the date of the statement of financial position (non-adjusting events after the date of the statement of financial position).

The Company adjusts the amounts recognized in the financial statements to reflect adjusting events after the statement of financial position date and updates disclosures. When non-adjusting events after the statement of financial position date are so significant that non-disclosure would affect the ability of users of the financial statements to make economic decisions, the company discloses the following information for each significant category of non-adjusting event after the statement of financial position date -

the nature of the event, and an estimate of its financial effect or a statement that such an estimate cannot be made.

5.19. Related parties and transactions with them

For the purposes of these financial statements, the Company presents as related parties the owners, their subsidiaries and associates, key management personnel, and close family members, including companies controlled by all of the above persons, which are considered and treated as related parties.

5.20. Contingent assets and liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity; or
- A present obligation arising from past events but not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity.

Contingent assets and liabilities are not recognized in the statement of financial position.

6. Interest and fee income

	2024	2023
	thousand BGN	*thousand BGN*
Interest income on loans granted	5,878	2,603
Revenue from additional fees and conditions under loan agreements	8,503	6,315
Total	**14,381**	**8,918**

7. Interest expenses

	2024	2023
	thousand BGN	*thousand BGN*
Interest expenses on loan from Iute Group AS	(2,275)	(1,140)
Interest expenses under IFRS 16	(60	(65
Total	**(2,335)**	**(1,205)**

8. Other operating income

	2024	2023
	thousand BGN	*thousand BGN*
Revenue from interest on arrears, collection and court fees	1,756	1,192
Income from insurance commissions	1,136	-
Service fees not related to lending	27	18
Revenue from the sale of assigned receivables	1,826	126
Other income	72	1
Commission expenses	(289)	(212)
Total	**4,528**	**1**

On 23 August 2024, IuteCredit Bulgaria EOOD entered into two assignment agreements, whereby it transferred its monetary receivables arising from consumer loan agreements:

- Under the first agreement, receivables under 971 loan agreements with a total value of BGN 2,335 thousand were transferred.
- Under the second agreement, receivables with a total value of BGN 8,410 thousand were transferred.

As a result of the assignment, IuteCredit Bulgaria EOOD reported revenue of BGN 1,826 thousand.

9. Total administrative and operating expenses

	2024	2023
	thousand BGN	*thousand BGN*
Remuneration and social security expenses	(2,622)	(2,005)
Marketing and sales expenses	(1,668)	(1,471)
Consulting and audit expenses	(129)	(
Guarantee fee	(3,392)	(2,011)
Management fee	(1,086)	(1,630)
Expenses for participation in associations and societies	(32)	-
System maintenance expenses	(387)	(366)
Bank charges	(121)	(106)
Postal, courier, and telecommunications services	(39)	(29
Depreciation expenses for property, plant, and equipment	(22	(37
Depreciation expenses for assets with right of use	(129)	(125
Expenses for materials	(73	(56
Social benefits expenses	(149)	(22
Office rental expenses outside the scope of IFRS 16	(56	(40
Business travel expenses	(73	(
Court and notary fees	(278)	(80
Expenses related to staff selection	(137)	(83
Tax and fee expenses	(23)	(58
Expenses for fines and penalties	(4)	(4)
Expenses without documentation	(10)	(4)

Office-related expenses	(28)	(33
Training and qualification expenses	(152)	(
Representation expenses	(14)	(30)
Other operating expenses	(125)	(94)
Total	**(10,749)**	**(8,383)**

The company is financed by Iute Group AS under a loan agreement.

10. Financial expenses

	2024	2023
	thousand BGN	*thousand BGN*
Loss from exchange rate differences	(6)	(4)
Total	**(6)**	**(4**

11.Tax expenses

	2024	2023
	thousand BGN	*thousand BGN*
Loss before taxes	(2,487)	(4,865)
Statutory tax rate for the year	*10*	*10*
Expected tax expenses	(249)	(487
Tax effect of permanent differences	2	2
Tax asset written off for the loss from 2019	29	-
Total	**(218)**	**(485)**

12. Cash and cash equivalents

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Cash in cash terminals	50	-
Cash in payment accounts	2,241	551
Total	**2,291**	**55**

The Company applies the standardized approach for calculating expected credit losses on cash in banks, using the credit rating of the financial institutions in which the Company has deposited its cash to determine the loss from default in the model parameters. These credit ratings are mainly assigned by the following institutions: Moody's, Standard and Poor's, Fitch.

Credit rating of financial institutions as at 31 December 2024: Eurobank Bulgaria AD - Baa1
The Company has assessed the expected credit losses on cash and cash equivalents. The estimated value is less than 0.1% of the gross value of cash

deposited with financial institutions, therefore it is considered immaterial and has not been recognized in the Company's financial statements.

13. Loans granted to customers

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Loans granted, gross	35,254	21,170
Interest and fees	4,055	2
Total gross loans granted	**39,309**	**23,316**
Accrued impairment allowance	(7,579)	(5,697)
Loans granted, net	**31,730**	**17,619**

All loans are at fixed interest rates.

The change in impairment losses on customer loans is as follows:

Impairment allowance recognized

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
At the beginning of the period	**(5,697)**	**(4,075)**
Accrued during the year	(10,996)	(5,316)
Written off during the year	9,114	3,694
At the end of the period	**(7,579)**	**(5,697)**

Overdue loans

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Loans not past due	20,934	11,850
Loans overdue by 1 to 90 days	7,055	4,639
Loans overdue for more than 90 days	7,265	4,681
Total	**35,254**	**21,170**

14. Property, plant, and equipment

thousand BGN	Computers and equipment	Other	Total
Carrying amount			
Balance as at 31 December 2022	70	12	82
Received	10	-	10
Balance as at 31 December 2023	80	12	92

Received	34	17	51
Balance as of December 31, 2024	**114**	**29**	**143**
Depreciation			
Balance as at 31 December 2022	**(33)**	**(9)**	**(42**
Accrued depreciation	(34)	(3)	(37)
Balance as at 31 December 2023	**(67)**	**(12)**	**(79)**
Accrued depreciation	(19)	(3)	(22)
Balance as at 31 December 2024	**(86)**	**(15)**	**(101)**
Carrying amount as at 31 December 2023	**13**	**-**	**13**
Balance sheet value as at 31.12.2024	**28**	**14**	**42**

15. Assets with right of use

thousand BGN	**Asset with right of use**	**Total**
Carrying amount		
Balance as at 31 December 2022	**577**	**577**
Received	6	6
Outgoing	(38)	(38)
Balance as at 31 December 2023	**545**	**545**
Received	69	69
Balance as at 31 December 2024	**614**	**614**
Depreciation		
Balance as at 31 December 2022	**(33)**	**(33)**
Accrued depreciation	(125)	(125)
Depreciation written off	38	38
Balance as at 31 December 2023	**(120**	**(120**
Accrued depreciation	(129)	(129)
Balance as at 31 December 2024	**(249)**	**(249)**
Balance sheet value as at 31.12.2023	**425**	**425**
Balance sheet value as at 31.12.2024	**365**	**365**

The right of use asset represents an office used by the Company. The term of the contract is until 31.10.2027. The contract was concluded with Offices Cherkovna EOOD.

16. Deferred tax assets

thousand BGN	Tax loss	Other	Total
Balance as at 31 December 2022	**793**	**9**	**802**
(Expense)/income in the income statement 2023	472	13	485
Balance as at 31 December 2023	**1,265**	**22**	**1,287**
(Expense)/income in the income statement 2024	228	(10)	218
Balance as at 31 December 2024	**1,493**	**12**	**1,505**

Under Bulgarian law, tax losses incurred during the financial year may be carried forward to future periods and offset against future taxable profits in each of the following five financial years.

As at 31 December 2024, the Company has tax losses that can be carried forward as a real reduction in future taxable profits.

17. Other current assets

	Dec. 31, 2024	31.12.2023
	thousand BGN	*thousand BGN*
Suppliers on advances	52	42
Receivables from accountable persons	-	1
Other receivables	47	67
Total	**99**	**110**

18. Share capital

As at 31 December 2024	Number of shares	Subscribed capital	Paid-in capital
Iute Group AS	17,200	17,200	17,200

As of December 31, 2023	Number of shares	Registered capital	Paid-in capital
Iute Group AS	15,200	15,200	15,200

IuteCredit Bulgaria EOOD is a single-member limited liability company with a capital of BGN 17,200 thousand, fully subscribed and paid in. The capital is divided into 17,200 shares with a nominal value of BGN 1,000 each, with Iute Group AS owning 100% of the Company's capital.

The Company's capital was increased in 2024 as follows:

- By decision of the sole owner dated June 14, 2024, a decision was made to increase the capital by BGN 2,000 thousand to BGN 17,200 thousand. After the increase, the capital is divided into 17,200 shares of BGN 1,000 each.

19. Long-term loans received

	31 December 2024	December 31, 2023
	thousand BGN	*thousand BGN*
Principal	28,180	13,707
Interest	2,598	1,301
Total	**30,778**	**15,008**

The company has received a loan from Iute Group AS, Estonia (parent company) under a loan agreement dated November 24, 2021, maturing on October 1, 2026. The interest rate under the loan agreement is fixed at 10%.

20. Trade payables

	31.12.2024	31.12.2023
	thousand BGN	*thousand*
Liabilities to local entities	92	151
Liabilities to foreign entities	2	1
Liabilities to group entities	746	288
Total	**840**	**440**

21. Lease liabilities

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Up to 1 year	133	103
Over 1 year	291	370
Total	**424**	**473**

22. Other current liabilities

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Liabilities to personnel	177	251
Liabilities for unused vacation leave	49	5
Liabilities for social security contributions	51	35
Tax liabilities	51	39
Other liabilities	191	136
Liabilities to customers	464	301
Total	**983**	**813**

23. Related persons

The Company's related parties include the sole owner of the capital, Iute Group AS, other companies in the group, and key management personnel.

The company discloses the following related parties:

Owner of the capital:

Iute Group AS, Identification 11551447, foreign legal entity, country: Estonia.

Entities under common control:

- O.C.N. "IUTE CREDIT" S.R.L. ("ICM"), Moldova;
- IuteCredit Albania SH.A ("ICA"), Albania;
- IutePay SH.P.K ("IutePay Albania"), Albania;
- IuteCredit Macedonia DOOEL ("ICMK"), North Macedonia;
- IuteCredit Kosovo JSC ("ICKO"), Kosovo;
- IutePay Bulgaria EOOD, Bulgaria;
- MKD IuteCredit BH d.o.o. Sarajevo ("ICBH"), Bosnia and Herzegovina;
- B.C. Energbank S.A, Estonia;
- IUTE SAFE AD, North Macedonia;
- IuteCredit Romania IFN S.A, Romania.

Other companies that are related parties:

- OÜ Alarmo Kapital, Estonia;
- OÜ Kavass, Estonia;
- IuteCredit Finance S.à r.l, Luxembourg;
- Super Mart OÜ, Estonia;
- Super Mart Albania SH.P.K, Albania;
- Super Mart Bulgaria EOOD, Bulgaria;
- Super Mart DOOEL Skopje, North Macedonia;
- Aia Tänav OÜ, Estonia.

Key management personnel of the parent company as at 31 December 2024:

- Tarmo Sild - Chief Executive Officer
- Alar Ninna - Chairman of the Supervisory Board
- Kristi Sild - Member of the Supervisory Board
- Janus Otsa - Member of the Supervisory Board

- Kadi Raudsepp - Authorized Representative

Key management personnel of the Company as of December 31, 2024:

- Liga Lemberga
- Rosen Georgiev Antov

On January 19, 2024, a change in the management bodies was entered in the Commercial Register, with Rosen Georgiev Antov being added as a manager. On October 24, 2024, Irina Kraicheva was removed as manager. On November 4, 2024, Liga Lemberga was added as a manager.

In 2024, IuteCredit Bulgaria EOOD carried out transactions with Iute Group AS.

The settlements between IuteCredit Bulgaria EOOD and Iute Group AS are as follows:

	December 31, 2024	**31.12.2023**
	thousand BGN	*thousand BGN*
Loan received	**30,778**	**15,008**

The transactions between IuteCredit Bulgaria EOOD and Iute Group AS are as follows:

	2024	**2023**
	thousand BGN	*thousand BGN*
Interest expenses	(2,275)	(1,140)
Management fee and guarantee fee expenses	(4,478)	(3,641)
	(6,753)	**(4,781)**

The transactions between IuteCredit Bulgaria EOOD and IutePay EOOD are as follows:

	2024	**2023**
	thousand BGN	*thousand BGN*
Expenses for external services	**-**	**(27)**

Terms and conditions of transactions with related parties

Loans and transactions with related parties are at agreed prices that do not differ from market prices. Apart from loans received from related parties, the Company does not report other liabilities arising from financial activities that need to be disclosed in accordance with Paragraphs 44 A - 44 D of IAS 7.

Cash flows from financing activities

Liabilities arising from financing activities	As at 1 January	Received Cash	Paid Cash	Accrued interest	On December 31 December
Loans received	**15,008**	**14,473**	**(978)**	**2,275**	**30,778**

24. Capital management

The Company's management uses a debt ratio, which is the ratio between the Company's total debt and equity, for ongoing monitoring and planning of the capital structure.

The debt ratio as at 31 December 2024 and 2024 is as follows:

	December 31, 2024	31.12.2023
	thousand BGN	*thousand BGN*
Total debt capital	**33,052**	**16,756**
Less: cash and cash equivalents	(2,291)	(551
Net debt capital	**30,761**	**16,205**
Total equity	2,980	3,249
Total capital	**33,741**	**19,454**
Debt ratio	**0.91**	**0**

The specific activity of the Company determines the high value of borrowed capital in the statement of financial position.

25. Financial risk management

The Company's activities are exposed to a number of financial risks. Management monitors overall risk and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's management constantly monitors and updates risk management procedures to adapt them and make them more effective in relation to the business environment.

Credit risk

Credit risk refers to the potential inability of some borrowers to repay their obligations. Credit risk is assessed on a portfolio basis, taking into account the probability of default, expected changes in the macroeconomic environment, and other factors.

Credit risk exposure by financial position:

	31.12.2024	31.12.2023
	thousand BGN	*thousand BGN*
Cash and cash equivalents	2,291	551
Loans granted	31,730	17,619
Other current assets	47	67
Total	**34,068**	**18**

Analysis of overdue loan receivables by days past due:

	December 31, 2024	31.12.2023
	thousand BGN	*thousand BGN*
From 1 to 90 days	7,055	4,639
From 91 to 180 days	2,877	1,741
Over 180 days	4,388	2,940
Total	**14,320**	**9,320**

Breakdown of receivables from loans granted by impairment level as at 31 December 2024:

thousand BGN	Level 1	Level 2	Level 3	Total
Loans, gross	28,157	1,122	10,030	39,309
Impairment	(1,566)	(354)	(5,659)	(7,579)
Total loans, net	**26,591**	**768**	**4,371**	**31,730**

Distribution of receivables on loans granted by impairment levels as at 31 December 2023:

thousand BGN	Level 1	Level 2	Level 3	Total
Loans, gross	16,244	779	6,293	23,316
Impairment	(1,150)	(280)	(4,267)	(5,697)
Total loans, net	**15,094**	**499**	**2,026**	**17,619**

Interest rate risk

Interest rate risk is related to the effects of changes in market interest rates on the Company's financial position and cash flows. Interest rates on loans granted are fixed for the entire term of the contract.

Liquidity risk

Liquidity risk is related to the negotiation of financing for the performance of obligations related to financial instruments. The activities in 2024 and 2023 are financed by the group to which the Company belongs.

The maturity structure of financial assets as at 31 December 2024 is as follows:

thousand BGN	up to 1 year	From 1 to 5 years	Over 5 years	Total as of 31.12.2024
Fixed-rate financial instruments – principal on loans, before impairment	9,913	25,341	-	35,254
Total:	**9,913**	**25,341**	**-**	**35,254**

The maturity structure of financial assets as at 31 December 2023 is as follows:

thousand BGN	Up to 1 year	From 1 to 5 years	Over 5 years	Total as of 31.12.2023
Fixed-rate financial instruments – principal on loans, before impairment	7,397	13,773	-	21,170
Total	**7,397**	**13,773**	**-**	**21,170**

The maturity structure of financial liabilities as at 31 December 2024 is as follows:

	Up to 1 year	From 1 to 5 years	Over 5 years	Total as at 31.12.2024
Fixed-rate financial instruments	-	30, 7 7 8	-	30,778
Total	**-**	**30, 7 7 8**	**-**	**30,778**

The maturity structure of financial liabilities as at 31 December 2023 is as follows:

	up to 1 year	From 1 to 5 years	Over 5 years	Total as of 31.12.2023
Financial instruments with fixed interest rate	-	15, 008	-	15,008
Total	**-**	**15, 008**	**-**	**15,008**

As at 31 December 2024, the Company has one loan granted by IuteGroup AS in the amount of BGN 30,778 thousand, maturing on 1 October 2026.

The Company manages liquidity risk by maintaining adequate funding and continuously monitoring projected and actual cash flows and comparing the maturity structure of financial assets and liabilities.

Currency risk

Currency risk is related to the risk that the value of financial assets and liabilities may change due to changes in exchange rates. The company's receivables and liabilities are denominated in BGN or EUR, therefore the company is not exposed to significant currency risk.

26. Events after the date of the financial statements

On July 3, 2025, a change in the company's management was entered in the Commercial Register, whereby Rosen Georgiev Antov was removed as manager.

By decision of the sole owner dated June 16, 2025, a decision was made to increase the capital by BGN 3,000 thousand to BGN 20,200 thousand. After the increase, the capital is divided into 20,200 shares of BGN 1,000 each.

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

27. Approval of the annual financial report

The annual financial report as of December 31, 2024, was approved and accepted by the Manager on 16 July 2025.