

CASH CREDIT EAD
REPORT ON ACTIVITIES
REPORT BY THE INDEPENDENT
AUDITOR FINANCIAL STATEMENTS
31 DECEMBER 2024

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ACTIVITY REPORT AS OF 31 DECEMBER 2024

The management presents the annual activity report as at 31 December 2024 of Cash Credit EAD (the "Company").

The information for the 2024 financial year is based on the financial statements as at 31 December 2024, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

ANNUAL REPORT ON THE ACTIVITIES OF CASH CREDIT EAD FOR 2024

Cash Credit EAD was established in 2014 under the name Cash Credit International Limited EOOD as a company whose main activity is related to the provision of financial and consulting services, investment activities, the development of concepts for commercial activities, commercial representation, and mediation.

On November 8, 2019, the Company was transformed into a single-member joint-stock company.

On December 20, 2019, Cash Credit International Limited EAD was renamed Cash Credit EAD.

By decision of Cash Credit Bulgaria EOOD, the sole owner of Fintech Services EAD and Cash Credit EAD, on December 18, 2019, procedures were initiated for the transformation through the merger of Fintech Services EAD into Cash Credit EAD. The transformation was entered in the Commercial Register on January 13, 2020. The transaction is between companies under common control, which resulted from the restructuring and reorganization of the Cash Credit Bulgaria EAD group, in which the risks and benefits for the owners have not changed. The aim is to combine their activities, resources, and personnel and to carry out joint commercial activities related to commercial representation and intermediation in microcredit, increasing efficiency and resource management.

Following the merger with Fintech Services EAD, Cash Credit EAD began offering microcredit intermediation services through its own sales network and through its commercial partners.

Shareholders and management structure

As of December 3, 2024, the sole owner of the Company's capital is Cash Credit Bulgaria EOOD with UIC 202690609, which owns 200,100 (two hundred thousand and one hundred shares with a nominal value of 10 (ten) leva each, representing 100% of the total paid-in capital.

Based on a decision taken by the sole owner of Cash Credit EAD on 6 September 2022, steps have been taken to reduce the Company's registered capital from BGN 8,001 thousand to BGN 2,001 thousand by reducing the number of shares issued. The entry in the Commercial Register was made on January 6, 2022.

By a decision of December 10, 2024, the sole owner of the Company's capital, Cash Credit EAD, distributed a dividend to its owner, Cash Credit Bulgaria EOOD (UIC 202690609), in the total amount of BGN 300 thousand (three hundred thousand leva).

As of December 31, 2024, the Company has a two-tier management system consisting of a Management Board and a Supervisory Board.

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The Supervisory Board consists of the following members:

Plamen Vasilev Petrov Georgi
Boyanov Krumov
Hendrik Bremer

The Management Board consists of the following members:

- Velislava 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.

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 (EC), 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 required more cautious assumptions and assessments of the business in the past, current, and next financial year.

This situation indirectly affects the Company's operations in terms of energy price fluctuations and inflation in general. At this stage, management has assessed that the events have no direct impact on the future financial position and results of the Company's operations.

The overall situation in the country is also affected by the introduction of the euro, which is a challenge for business. Management and the teams in the company are prepared and are gradually implementing the changes necessary for a smooth transition to the current market conditions.

The main goal for 2024 was to stimulate business, make new investments in human capital, and optimize business processes in order to achieve normal 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, but this was more related to the competitive environment than to international events. Nevertheless, in 2024, the Company generated a profit and is performing in line with management expectations, and normal levels of business results are expected in the future.

From its activities in 2024, the Company realized an accounting profit of BGN 1,098 thousand. (2023: accounting loss of BGN 146 thousand) Assets as at 31 December 2024 amounted to BGN 11,647 thousand. (2023: BGN 9,715 thousand).

During the year, the Company plans to continue implementing new ideas and improving the service it offers in order 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 in the future it will

The Company strives for more efficient resource management and increased efficiency in seeking partners for investment in companies in the manufacturing and financial sectors. On June 22, 2023, the Company established a new company called Kredi Ins OOD, together with Dimitar Stoyanov Tonev, whose main activity is to provide financial services to individuals and legal entities.

On June 22, 2023, the Company, together with Dimitar Stoyanov Tonev, established a new company called Kredi Ins OOD, whose main activity is related to insurance brokerage. The Management's idea is to use the network of offices in the country to provide this type of service to end customers. As of December 31, 2024, Cash Credit EAD owns 65% of the shares of Kredi Ins, and the investment amounts to BGN 37 thousand.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Company is exposed to various types of risks in relation to its **financial** instruments. The most significant financial risks to which the Company is exposed are market risk, credit risk, and liquidity risk. The Company's risk management is carried out by the Company's central administration in cooperation with the Management Board. The management's priority is to secure short-term and medium-term cash flows by reducing its exposure to financial markets. Long-term financial investments are managed to generate long-term returns.

Credit risk

Credit risk arises from cash and cash equivalents and deposits held with banks and financial institutions, as well as credit exposures to customers, including uncollected receivables and loans granted. The company is not exposed to significant credit risk, as its main receivables and liabilities are from related parties. Credit risk is managed through a policy of controlling contractual relationships to prevent the risk of uncollectible receivables, as well as through the implementation of good practices in the selection of commercial counterparties.

Currency risk

Currency risk arises when future commercial transactions and recognized assets and liabilities are in a currency other than the currency in which the Company operates. The Company operates in Bulgaria and the Bulgarian lev is pegged to the euro. The Company is exposed to minimal currency risk, which is possible from received receivables and purchases and sales that are in currencies other than the Bulgarian lev and the euro. The risk is assessed as low due to the lack of large currency exposures of the Company for the respective year.

Liquidity, solvency, and capital expenditures

In 2024, the Company is financed by funds from its operations and equity, repaying in full the loan from its subsidiary Cash Credit Poland S.A. As of December 31, 2024, Cash Credit EAD has no liabilities on loans received (as of December 31, 2024: BGN 201 thousand). Cash Credit EAD services its financial obligations on time and is fully solvent in 2024.

Interest rate risk

Cash Credit 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 granted to the Company are from related parties and have a fixed interest rate for the entire repayment period. The Company does not use financial instruments to hedge its interest rate risk.

PLANNED FUTURE BUSINESS ACTIVITIES

Our main goal

The Company's main efforts will be focused on stabilizing sales levels by applying a **conservative approach** to risk management, marketing **expenses**, discipline regarding current expenses, and control over in relation to of(customers) (in) (delinquency) (and) debt collection. The Company will focus its efforts on(negotiating)(strategic) partnerships in order to increase the number of points of sale for (services offered) by the Company(as well as) seeking new partnerships and investments.

OTHER IMPORTANT INFORMATION ABOUT THE COMPANY

As of December 31, 2024, the Company has 166 employees (163 employees as of December 31, 2023). The address for correspondence and registration is rp. Sofia, Sveta Troitsa residential district, ul. "Zografski

Manastir"

No. 15, entrance G, floor 6. In 2024, the Company did not carry out any activities in the field of research and development.

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

The Company has no branches and did not register any in 2024. Transactions with related parties

In 2024, the Company did not pay remuneration to the members of the Management and Supervisory Boards, with the exception of their remuneration under employment contracts or management and control contracts. The remuneration paid did not exceed the usual market levels.

The members of the boards did not acquire, hold, or transfer any shares or bonds of the company during the year.

The members of the boards do not have the right to acquire shares and bonds of the company.

Information **on the participation of** members of **the** Management and Supervisory **Boards** in the management and ownership of other commercial companies in accordance with the disclosure requirements **of the Commercial Act** is provided below:

Supervisory Board:

Nlamen Vasilev Pepelov — 3 U EOOD — sole owner and manager, Investment and Construction Company EOOD — sole owner and manager, "PMB Consult" 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 PPFP EOOD — sole owner and manager; Stroy GR EOOD—sole owner and manager.

Hendrik Bremer — none;

Georgi Boyanov Krumov - 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, Iquest S.A. Luxembourg - partner, Kesh

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Credit Invest Holding EOOD — executive director and partner, Cash Credit Mobile EAD — member of the Supervisory Board, GBK Properties Ltd. — 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 Dimitrov Simeono — *Member of the Management Board of Cash Credit EAD until February 7, 2024* ; Beyond Data Bulgaria Ltd. — manager (until December 15, 2023);

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

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

Velislava Velinova Teneva — Cash Credit Mobile EAD — member of the Management Board and Executive Director; Ramnet Ltd. — partner;

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

Galiliya V. Radova - Cash Credit Mobile 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.

MANAGEMENT RESPONSIBILITIES

In accordance with 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. Management confirms that it has consistently applied appropriate accounting policies.

The Company uses the Bulgarian lev (BGN) as its functional and presentation currency. The annual financial report for 2024 has been prepared in Bulgarian levs.

Management also confirms that it has complied with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements for 2024 have been prepared on a going concern basis.

CASH CREDIT EAD
ACTIVITY REPORT
31 DECEMBER 2024

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 REPORTING DATE

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.

July 21, 2025
rp. Sofia

Velislava Velinova Teneva
Chief Executive Officer

Zdrako Georgiev Slavchev Chief
Executive Officer



CASH CREDIT EAD
Annual Financial Report
 COMPREHENSIVE INCOME STATEMENT
 For the year ended December 31, 2024

<i>(All amounts are presented in thousands of BGN)</i>	Appendix	2024	2023
Revenue from the same of services	4	11,933	11,539
Interest income		192	171
Interest expense		<u>(59)</u>	<u>(41)</u>
Net interest income	3	<u>133</u>	<u>130</u>
Total operating income		12,066	11,669
Operating expenses	6	(10,869)	(11,807)
Other income		<u>35</u>	<u>2</u>
Profit before taxes		1,232	(136)
Income tax expense	20	<u>(118)</u>	<u>(10)</u>
Profit for the year		<u>1,114</u>	<u>(146)</u>
Total comprehensive income for the year		<u>1,114</u>	<u>(146)</u>

CASH CREDIT EAD

Annual financial report

REPORT ON FINANCIAL RESULTS 't,pj, щjyE

As of December 31, 2024

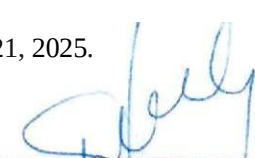
(All amounts are presented in thousands of BGN)

		Appendix December 31 2024	December 31 2023
ASSETS			
Cash and cash equivalents	7	1,314	2,409
Loans and advances to customers	8	8,879	5,789
Current trade receivables	9	225	710
Net investment in finance leases	17	-	-
Materials and supplies	10	6	7
Other assets	11	41	44
Investments in subsidiaries	12	33	192
Equity interests in structured entities		20	20
Assets under right of use		861	376
Intangible assets		154	12
Machinery and equipment		54	103
Deferred tax assets		60	53
TOTAL ASSETS		<u>11,647</u>	<u>9,715</u>
LIABILITIES			
Liabilities for participations			500
Liabilities to suppliers and customers	16	6,122	5,042
Liabilities on loans received	17		20
Tax liabilities		169	72
Lease liabilities	18	903	363
Other current liabilities	19	857	755
TOTAL LIABILITIES		<u>8,051</u>	<u>6,933</u>
EQUITY			
Registered capital	21	2,001	2,001
Legal reserves	22	800	800
Retained earnings		795	(19)
Total equity		3,596	2,782
TOTAL EQUITY LIABILITIES		<u>11,647</u>	<u>9,715</u>

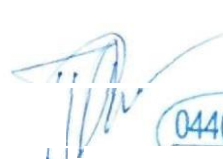
The financial statements were approved by the Board of Directors on July 21, 2025.


 Velislava Velinova Teneva
 Executive Director


 dra Sach
 Executive Director


 Ивет Желева
 Съставител

Sodontski, report dated July 30, 2025:

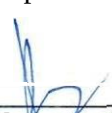

 d.e.s., r.o., Pavel Dimitrov
 (0440 from the KPHBO
 register)

CASH CREDIT EAD
FINANCIAL REPORT
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2024

<i>(All amounts are presented in BGN)</i>	Shareholders capital	Mandatory reserves	Unallocated capital profit/ (accumulated loss)	Total equity capital
Balance as of January 1 2024	2,001	800	(19)	2,782
Distribution of dividends	-	-	(300)	(300)
Transactions with the sole owner	-	-	(300)	(300)
Profit for the year	-	-	1,114	1,114
Total comprehensive income for the year	-	-	1,114	1,114
Balance as of December 31, 2024	2,001	800	795	3,596

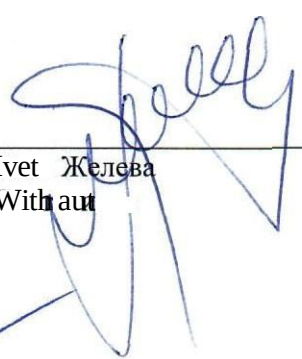
Balance as of January 1 2023	2,001	800	(1,627)	4,428
Distribution of dividends	-	-	(1,500)	(1,500)
Transactions with the sole owner	-	-	(1,500)	(1,500)
Profit for the year	-	-	(146)	(146)
Total comprehensive income for the year	-	-	(146)	(146)
Balance as of December 31, 2023	2,001	800	(19)	2,782

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

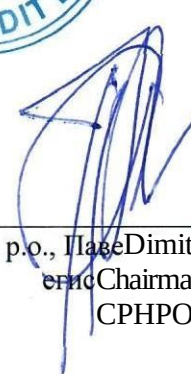

Velislava Velinova Teneva
Executive Director


Здравко Георгиев Славчев
Executive Director




Ivet Желева
With audit

With audit report dated July 30, 2025:


д.е.с., р.о., Павел Dimitrov,
(0440) Chief Chairman of the
from (CPHPO)



CASH CREDIT EAD
FINANCIAL STATEMENT CASH
FLOW STATEMENT
For the year ended December 31, 2024

<i>(All amounts are expressed in thousands of BGN)</i>	Appendix	2024 BGN'000	2023 BGN'000
Cash flows from operating activities		52,354	50,923
Receipts collected on behalf of third parties		(38,808)	(35,162)
Payments made on behalf of third parties		662	56
Payments to staff and suppliers		(10,232)	(10,966)
Corporate income tax paid		(34)	(99)
Other taxes paid		(638)	(722)
Interest paid			
Net cash flows from operating activities		<u>3,304</u>	<u>4,030</u>
Cash flows from investing activities			
Loans granted			(173)
Proceeds from loans granted		60	(32)
Purchases of property, plant, and equipment		(44)	(33)
Purchases of intangible assets		(134)	(238)
Cash flows from investing activities		<u>(118)</u>	<u>(722)</u>
Cash flows from financing activities			
Lease payments		(507)	(401)
Payments on loans received		(3,274)	(2,137)
Dividends paid		(500)	(1,000)
Cash flows from financing activities		<u>(4,281)</u>	<u>(3,538)</u>
Net change in cash and cash equivalents		<u>(1,095)</u>	<u>254</u>
Cash and cash equivalents acquired as a result of merger		-	-
Cash and cash equivalents at the beginning of the year		2,409	2,155
Cash and cash equivalents at the end of the year	7	<u>1,314</u>	<u>2,409</u>

ОДИТОРСКИ ДОКЛАД
Regarding the Annual Financial Report
of "Cash Credit" EAD
with EIK: 205893155, for 2024 r.

I. Opinion

I have audited the annual financial statements of Cash Credit EAD, which comprise:

- Statement of financial position as at 31 December 2024
- Statement of comprehensive income
- Statement of equity
- Cash flow statement
- The financial statements, including a summary of significant accounting policies

In my opinion, the financial statements give a true and fair view of the financial position of the company as of December 31, 2024, as well as its financial results and cash flows for the year, in accordance with International Accounting Standards (IAS).

II. Basis for opinion

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 auditing 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's 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 prepare an audit report containing 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.

VI. Auditor's Report

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

Date: 30.07.2025

Registered auditor 0440
Pavel Dimitrov:

CASH CREDIT EAD
FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. General information

Management Board:

Velislava Velinova Teneva
Zdravko Georgiev Slavchev
Velislava Velinova Teneva

Supervisory Board:

Plamen Vasilev Petrov Georgi
Boyanov Krumov
Hendrik Bremer

Registered office and management address:

rp. Sofia, Sveta Troitsa residential district, 15 Zografski **Manastir** Street, entrance G,

floor 6. Auditor: Pavel Dimitrov (0440 in the KPHBO register) Corporate

information

Corporate information

The financial report of Cash Credit EAD (the Company) for the year ending December 31, 2024, has been approved for publication in accordance with *the decision of* the Management Board of July 21, 2025.

Cash Credit EAD (the Company) is a single-member joint-stock company registered in the Commercial Register under UIC 205893155 with its registered office and address of management at Sofia 1309, Illinden district, St. Trinity resort, ul. "Zografski Monastery" No. 15, entrance G, floor 6.

Based on a decision taken by the sole owner of Cash Credit EAD on 16.09.2021, steps have been taken to reduce the registered capital of the Company from BGN 8,001 thousand to BGN 2,001 thousand by reducing the number of issued shares. The entry in *the Commercial Register* was made on January 6, 2022.

Cash Credit Bulgaria EOOD, UIC 202690609, owns 200,100 (two hundred thousand and one hundred) shares with a nominal value of BGN 10 (ten) each, representing 100% of the total paid-in capital as at 31 December 2024.

By decision of Cash Credit Bulgaria EOOD, the sole owner of Fintech Services EAD and Cash Credit EAD, dated December 18, 2019, a procedure for transformation by merger of Fintech Services EAD into Cash Credit EAD. The transformation was entered in the Commercial Register on January 13, 2020. The merger is between companies under common control, which occurred as a result of the restructuring and reorganization of the Cash Credit Bulgaria EAD group, in which the risks and benefits to the owners have not changed. The aim is to combine their activities, resources, and personnel and to carry out joint commercial activities related to commercial representation and intermediation in microcredit, increasing efficiency and resource management. Following the merger with Fintech Services EAD, Cash Credit EAD began offering microcredit intermediary services through its own sales network and through its commercial partners.

The Company's financial year ends on December 31.

As of December 31, 2024, *the total number* of employees of the Company was 166 (2023: 163 employees).

CASH CREDIT EAD
FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

The Company's management includes its Management Board. The persons responsible for the overall management are represented by the Company's Supervisory Board.

2. Summary of significant accounting policies

2.1 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.

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

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 Company presents its financial statements *in order of liquidity*. An analysis of the recovery of assets or settlement of liabilities within twelve months after the date of the individual statement of financial position (current) and after more than 12 months after the date of the individual statement of financial position (non-current) is presented in the notes to the financial statements.

In the Company's financial statements, investments in subsidiaries are presented at acquisition cost.

In accordance with IFRS 10 Consolidated Financial Statements, the Company meets the criteria for exemption from presenting a consolidated financial statement, as follows:

- The ultimate parent company Cash Credit Invest Holding AD owns 100% of the shares of Cash Credit EAD through Cash Credit Bulgaria EOOD;
- The ultimate parent company Cash Credit Invest Holding AD has been informed and does not object to Cash Credit EAD not presenting consolidated financial statements;
- The debt or equity instruments of Cash Credit EAD are not traded on a public market (local or foreign stock exchange or over-the-counter market, including local and regional markets);
- Cash Credit EAD has not submitted, nor is it in the process of submitting, its financial statements to a securities commission or other regulatory organization for the purpose of issuing any class of instruments on a public market;

The ultimate parent company, Cash Credit Invest Holding AD, prepares and presents consolidated financial statements in accordance with IFRS, as applicable in the EC, available for public viewing. The address of Cash Credit Invest Holding AD is 15 Zografski Manastir St. Entrance G, Floor B, Sofia. The company is registered in the Commercial Register of the Registry Agency under UIC 115111111.

2.2 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 1,114 thousand (2023: loss of BGN 146 thousand) and positive cash flows from operating activities in 2024 in the amount of BGN 3,304 thousand (2023: positive cash flows of BGN 4,030 thousand). The Company's future financial results depend on the broader economic environment in which it operates. The factors that specifically affect the results of

CASH CREDIT EAD
FINANCIAL
STATEMENT
APPENDIX TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

The Company include zero or negative economic growth, consumer confidence, competitor prices, as well as subcontractor and supplier prices. Management has concluded that it is appropriate to prepare the financial statements on a going concern basis after taking into account the financial forecasts and the following assumptions:

The company is meeting its financial commitments as of December 31, 2024, and is expected to meet them in 2025 as well.

The Company has implemented measures to strengthen its liquidity and preserve cash in connection with rising inflation, the international situation, initiatives to optimize costs, and an adequate policy for adapting the business to the adoption of the euro in Bulgaria.

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 sell a significant portion of its assets or take other coercive measures.

2.3 Changes in accounting policy during the year

Newly 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 MCC 7 Cash Flow Statements and IFRS 7 Financial Instruments:

Disclosures, effective from 1 January 2024, adopted by the EC

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

Published new standards, amendments, and interpretations to existing standards that have not yet come into force 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 the changes to the standards:

Amendment to MCC 21 Effects of Changes in Foreign Exchange Rates — **Non-Exchangeability** (Regulation (EC) No. 2024/2862 of November 12, 2024, Official Journal, Series L of 13.11.2024, effective from 01.01.2025).

- Application of MCC 21 to the consolidation of foreign subsidiaries

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The Company intends to apply these new and amended standards and interpretations, provided they are applicable when they come into effect. They are not expected to have a significant effect on the Company's financial results and financial position.

2.4 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 currencies 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, cash assets and liabilities are translated at the BNB reference exchange rate of BGN 1 = USD 0.53118 (2023: BGN 1 = USD 0.564978).

2.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net carrying amount is reported in the separate statement of financial position when there is a legal basis to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.6 Revenue from contracts with customers

The Company's activity is related to the provision of intermediary financial services. 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 in control of its revenue arrangements, as it usually controls the services before transferring them to the customer.

Provision of services

Intermediary services

The Company provides services that are sold separately, namely commercial representation and intermediation. The Company recognizes the services as a performance obligation and recognizes the revenue from them over time, as the customer simultaneously receives and consumes the benefits provided by the Company. The company recognizes revenue on a straight-line basis over the term of the contract.

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Contract balances

Assets under contract 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 fixed amount of consideration, which is unconditional (i.e., only a specified period of time must elapse before the consideration becomes due). Please refer to the accounting policies for financial assets set out in the section *Financial Assets*

The liability under the contract is the obligation to transfer the services to the customer for which the Company has received (or is due to receive) remuneration 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 and contract performance costs

Additional contract acquisition costs (e.g., sales commissions) and certain costs incurred in fulfilling a contract are recognized directly as an expense, as the effective term of the contracts is up to one year, i.e., they are short-term.

2.7 Interest income and expenses

Interest income and expenses are recognized in the individual statement of 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 for calculating the amortized cost of a financial asset or financial liability and for 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 amortisation period. This is the period until the next revaluation date when market interest rates change *significantly 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, 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 purpose of assessing recoverable amount.

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2.8 Financial assets

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. Trade receivables that do not contain a significant financing component and for which the Company has acquired a practical expedient measure are measured at transaction cost determined in accordance with IFRS 15. Please refer to the accounting policy in the section ***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 collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets whose terms require delivery of the assets within a period of time, usually established by regulation or prevailing practice in the relevant market (regular purchases), are recognized on the trade date (the date of the transaction), i.e. 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 and 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 amounts due from suppliers and customers, loans and advances granted.

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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 (b) the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has not retained control of the asset.

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 over 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 assumed.

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.

Revaluation of financial assets

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

- Accounting estimates and judgments in applying accounting policies (Note 2.23) Loans and advances granted (Note 8)
- Current trade receivables (Note 9)

IFRS 9 replaces the "incurred loss" model in IAS 39 (applied before January 1, 2018) with an "expected credit loss" model, which means that a loss event will no longer be required before impairment is recognized. The new 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 initial 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 policy for managing loans and advances to customers and related parties:

- Loans and advances to customers - based on historical experience and after analysis, the company considers that receivables from related parties are fully collectible and the loss given default (LGD) is 0%. The company applies a simplified approach to calculate OK3.
Receivables from suppliers and customers and assets under contracts with customers - the company applies a simplified approach to calculate OK3.

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The simplified approach to calculating OK3 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 developed a provisioning matrix based on historical credit loss experience, adjusted for forward-looking factors specific to the obligors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Company applies impairment based on low credit risk.

At each reporting date, it determines whether the debt instrument is considered to be of low credit risk, using all reasonable and supportable information available without undue cost or effort. In making this assessment, the Company reviews the internal credit rating of the debt instrument. In addition, the Company assesses whether there is a significant increase in credit risk when payments under the contract are more than 30 days past due.

The Company considers a financial instrument to be in default when contractual payments are past due for 90 days. In certain cases, however, it may consider a financial asset to be in default when internal or external information indicates that it is unlikely that the Company will receive the full amount of the outstanding contractual payments before taking into account any credit enhancements provided by it. Financial assets are derecognized when there is no reasonable expectation of collecting the contractual cash flows.

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 liabilities, obligations, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value, and in the case of loans and 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:

Trade payables and other financial liabilities, liabilities under loans and borrowings

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 EJI basis.

The amortised 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 EPL. Amortisation through EPL is included as a financial expense in the separate income statement. This category mainly relates to trade and other payables. Additional information is provided in Notes 15, 16, 17, and 18.

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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 under 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 recognition of a new one. The difference in the respective balance sheet amounts is recognized in the individual income statement.

2.10 Intangible assets

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

Expenses that improve or extend the functionality 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 on a straight-line basis over their useful lives, which are not longer than four years.

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 from 6 to 7 years. The residual value of intangible assets and their useful lives are reviewed and adjusted, if necessary, at each balance sheet date.

2.11 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. If the carrying amount of an asset is greater than its 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 in the individual statement of comprehensive income when incurred. The useful life and residual value of vehicles and equipment are reviewed quarterly 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.

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2.12 Impairment of non-financial assets

As at the date of the Individual Financial Statement, 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.

2.13 Leasing

On the date the contracts come 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 uniform approach to the recognition and measurement of all leases, except for short-term leases (i.e., leases with a term of *less than* 12 months) and leases of low-value assets. The company recognizes lease liabilities for the payment of lease payments and right-of-use assets representing the right to use the assets.

Right-of-use 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 remeasurement of the lease liability. The acquisition cost of right-of-use assets includes the amount of the recognised lease liability, 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:

- Vehicles and other equipment 4 years
- Office and warehouse 3-5 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 (k) 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 is reasonably certain to be exercised by the Company, as well as payments of penalties for termination of the lease if the lease term reflects the Company's exercise of a termination option.

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Variable lease payments that do not depend on an index or interest rate are recognized as expenses (unless they are made for the production of inventories) in the period in which the event or condition triggering the payment occurs.

After the commencement date, the amount of lease obligations increases with interest and decreases with lease payments made. In addition, the carrying amount of lease obligations 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 estimate of the option to purchase the underlying asset.

2.14 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.

2.15 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 it is expected that cash outflows will be required to settle the obligation and when the amount of the obligation itself can be *reliably* estimated. Provisions for future operating losses are not recognized.

When there are several similar obligations, the probability of an outflow of cash to settle them is assessed by considering the entire class of obligations. A provision is recognized even in cases where the probability of an outflow of cash for a given obligation in *the portfolio* is small.

Provisions are determined based on the present value of the expenses expected to be necessary 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.

2.16 Current and deferred income tax

The taxation reflected in the financial statements is in accordance with Bulgarian legislation currently in force. Tax expenses in the individual statement of 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. The income tax payable, in accordance with the applicable tax law, is recognized as an expense in the period in which the profit arose. 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 receivables. 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.

The income tax payable, in accordance with the applicable tax law, is recognized as an expense in the period in which the profit **arose**. The tax effects of **tax** provisions that can be

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carried forward are recognized as an asset when it is probable that future taxable profits will arise against which these losses can be used.

2.17 Equity

The Company's equity consists of share capital, representing the registered capital presented at nominal value in accordance with the court decision on registration, legal reserves, other reserves, financial results from previous periods, and current financial results.

2.18 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 and obligations 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 liabilities. When calculating the provisions, the Company determines the present value of future pension liabilities, 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, the amount of provisions for pension obligations is immaterial.

2.19 Financial risk management

By its nature, the Company's activities are mainly **related** to the use of financial instruments.

2.19.1 Credit risk

Credit risk is the risk that a counterparty will not pay its obligation to the Company. The Company is exposed to this risk in connection with various financial instruments, such as when granting loans, arising receivables from customers, depositing funds, and

The Company regularly monitors the default of its customers and other counterparties, identified individually or as a group, and uses this information to control credit risk. The Company's policy is to only conduct transactions with counterparties with a *good* credit rating.

Credit risk exposure is managed through a generic analysis of the ability of customers and potential customers to repay their interest and principal and by updating approval criteria, pricing and lending limits. A large portion of the loan agreements are with related parties, and management has determined that the Company is exposed to negligible credit risk in relation to them.

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Maximum exposure to credit risk

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

	2024 BGN thousands	2023 BGN thousands
Current trade receivables	225	710
Cash and cash equivalents	1,314	2,409
Loans and advances to customers	8,879	5,789
	10,418	8,908

Loans and advances granted are described below:

	2024 BGN thousands	2023 BGN thousands
Not past due and not impaired	8,879	5,789
Devalued	49	49
Gross	8,928	5,838
Minus: depreciation	(49)	(49)
Net	8,879	5,789
	2024 BGN thousands	2023 BGN thousands

The movement of the impairment allowance is presented below:

Value as of 1 January	49	49
Newly arising	-	-
Written off	-	-
Value as of 31 December	49	49

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

Baika	App.	2024 BGN thousands	2023 BGN thousands
United Bulgarian Bank AD	7	754	1,884
UniCredit Bulbank AD	7	164	191
Central Cooperative Bank	7	145	212
Peinetic JSC		4	-
		1,067	2,287

As at 31 December 2024, the Company had BGN 243 thousand *in cash* and BGN 4 thousand in the form of cash gift vouchers. (2023: cash: BGN 149 thousand; vouchers: BGN 20)

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2.19.2 Market risk

The company is exposed to market risks. Market risks arise from open positions in interest rate, currency, and capital transactions that are exposed to general and specific market fluctuations. The company applies the "sensitivity factors" and stress tests methods to assess the market risk of positions and maximum expected losses, calculated on the basis of assumptions for various changes in market conditions. The sensitivity factors method monitors changes in the value of a position 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 on acceptable risk, which are monitored on a quarterly basis.

2.19.3 Currency risk

Currency risk depends on unfavorable *changes* in the main exchange rates and affects the financial position and cash flows. All of the Company's monetary assets and liabilities are denominated in either euros or Bulgarian leva. The Company is not exposed to significant currency risk, as the Bulgarian lev has been pegged to the euro at a rate of 1.95583 leva to 1 euro since July 1, 1998.

2.19.4 Interest rate risk

The Company is not exposed to interest rate risk and *is not likely* to incur losses as a result of changes in market interest rates. Loans granted by the Company have a fixed interest rate for the entire repayment period, with no variable components or indices. The Company does not use financial instruments to hedge its interest rate risk.

Since the Company is not exposed to significant interest rate risk due to fixed interest rates, the assets and liabilities distributed in the respective time intervals until the date of the next change in interest rates are presented below:

As of 31 December 2024	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total BGN thousands
Assets						
Cash and cash equivalents	1,314	-				1,314
Trade receivables	83	-		142		225
Loans and advances granted	-	-	7,664	1,215	-	8,879
Other assets	-	-	-	-	-	-
Total assets	1,397	-	7,664	1,357	-	10,418
Passives						
Payables to suppliers and customers	163		5,959		-	6,122
Lease liabilities	34				-	
Loans received					-	
Liabilities for participation					-	
Other liabilities					-	
Total liabilities	197	68	6,264	496	-	7,025
Net difference	1,200	(51)	1,400	861	-	3,393
Cumulative difference	1,200	1,132	2,532	3,393	-	

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December 31, 2023	Up to 1 month BGN thousand	1-3 months BGN thousand	3-12 months BGN thousand	1-5 years BGN thousand	Over 5 years BGN thousand	Total BGN thousand
Total assets	2,573	17	5,021	1,312	-	8,923
Total liabilities	605	15	5,239	273	-	6,132
Net difference	1,968	2	(218)	1,039	-	2,791
Cumulative difference	1,968	1,970	1,752	2,791	2,791	

The table below shows the average effective interest rate for monetary financial instruments:

As of December 31	2024	2023
Assets	%	%
Cash and cash equivalents	-	-
Loans and advances to customers	3	3.5
Liabilities	%	%
Loans received	3.6	4

2.19.5 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 surplus or 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 mismatches. The main objective of the liquidity risk management policy is to ensure stable growth 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 loans and advances to customers, operating and financial activities.

Currently, the Company has a stable liquidity position, which will help it mitigate 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 remaining contractual terms at the balance sheet date. The amounts disclosed in the table are the undiscounted contractual cash flows, as the Company manages its inherent liquidity risk on the basis of expected undiscounted cash flows. All payments are determined on the basis of the slot rate.

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As of December 2024

	Up to 1 month BGN thousands	1-3 months BGN thousands	3-12 months BGN thousands	1-5 years BGN thousands	Over 5 years BGN thousands	total BGN thousands
Assets						
Cash and cash equivalents	1,314					1,314
Trade receivables						
Loans and advances granted	83			142		225
Other assets			7,854	1,285		9,139
Total assets	1,397	-	7,854	1,427	-	10,678
Liabilities						
Payables to suppliers and customers	163		5,959			6,122
Lease liabilities	38	75	329	511		953
Liabilities for participations						
Loans received						
Other liabilities						
Total liabilities	201	75	6,288	511	-	7,075
Net spread	1,196	(75)	1,566	916	-	3,603
Cumulative difference	1,196	1,121	2,687	3,603		

As of December 31, 2023

	Up to 1 month BGN thousands	1-3 months BGN thousands	3-12 months BGN thousands	1-5 years BGN thousands	Over 5 years BGN thousands	total BGN thousands
Total assets	2,573	17	8,161	1,353	-	12,104
Total liabilities	605	16	5,256	283	-	6,160
Petya difference	1,968	1	2,905	1,070	-	5,944
Cumulative Raelica	1,968	1,969	4,874	5,944	5,944	

The company believes that matching and controlled mismatching of maturities with interest rates is important for increasing profitability. It is common for companies operating in the financial market with products mainly targeted at individuals to match completely in the short term, as transactions have a fast turnover. A difference in the maturity structure can increase profitability, but also increase the risk of losses for the business. A mismatched position with a cash surplus can reduce profitability due to inefficient use of funds, but 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 EAD and its exposure to changes in interest rates.

2.20 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.

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The fair value of financial instruments is determined by the Company based on available market information, where available, and the relevant 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 some 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 value 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 provisions for impairment. The fair value of fixed-rate loans and advances to customers is the discounted amount of 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 Individual Statement of Financial Position. Fair value includes expected future losses, while amortized cost and impairment include only losses incurred at the balance sheet date.

Investments in subsidiaries

Subsidiaries are all entities that are under the control of the Company. Control over the Company's subsidiaries is expressed in its ability to manage and determine the financial and operating policies of the subsidiaries so as to obtain benefits **from** their activities. In the Company's financial statements, investments in subsidiaries are reported at cost.

Receivables and other current financial assets

Receivables are presented and reported at fair value based on the transaction price, which is **usually equal** to their agreed value, less any impairment for uncollectible amounts. An approximate estimate of losses from uncollectible receivables is made when there is a high degree of uncertainty about the collectability of the entire amount or part of the net amount. The carrying amount is adjusted using an allowance account, where all impairment losses are accumulated, and the amount of the impairment loss for the period is recognized in the statement of comprehensive income (in profit or loss for the year).

Uncollectible receivables are written off when the legal grounds for doing so arise and the Company's management determines that no further reasonable efforts can be made to collect them.

Loans received

The carrying amount of loans received is close to their fair value due to the close levels of interest rates on loans 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.

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financial liabilities

Other liabilities include a lease liability. The carrying amount of lease liabilities is approximately equal to their fair value, as all contracts have floating interest rates. Other liabilities are short-term and, as a result, their fair value is approximately equal to their carrying amount.

2.21 Changes in liabilities arising from financing activities

The following table summarises changes in liabilities arising from financing activities, including both cash flow-related changes and non-cash changes, and contains a reconciliation between the opening and closing balances in the separate statement of financial position of liabilities arising from financing activities for the year as at 31 December 2024 and 31 December 2023:

	January 1, 2024, BGN thousand	Cash inflows BGN thousand	Cash outflows BGN thousand	Net intercepte d amounts BGN thousand	New contracts BGN thousand	Accruals using the effective interest method BGN thousand	Other BGN thousa nd	December 31, 2024 BGN thousand
Current lease obligations	363		(379)		919			903
Loan obligation s	201	-	-	-	-	-	(201)	-
Total liabilities from financial activities	564	-	(379)	-	919	-	(201)	903
	Januar y 1, 2024, BGN thousan d	Cash inflows BGN thousan d	Cash outflows BGN thousand	Net intercepte d amounts BGN thousand	New contract s BGN thousan d	Accruals using the effective interest method BGN thousand	Other BGN thousa nd	December 31, 2024 BGN thousand
Current lease obligations	313	-	(401)	-	422	16	13	363
Loan obligation s	2,286	-	(2,158)	(6)	54	25	-	201
Total liabilities from financial activities	2,599	-	(2,559)	(6)	476	41	13	564

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2.22 Capital risk management

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

- S 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:
- 4 To maintain a strong capital base to support the development of its business and reduce the cost of capital.

As of December 31, 2024, the value of the company's equity is BGN 1,595 thousand higher than the registered capital (December 31, 2023: BGN 781 thousand higher).

2.23 Significant risk of discontinuation associated with this

Based on historical experience and practice in Bulgaria, management believes that the risk of the company being terminated is unlikely.

Estimates and assessments are reviewed on an ongoing basis and are based on past experience and other factors, including expected future events that are reasonably certain to occur, given the circumstances.

Loss from impairment of loans and advances granted and receivables

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

1. Loans and advances to customers—based on historical experience and analysis, the company considers that receivables from customers are fully collectible and does not recognize impairment. The company applies a simplified approach to calculating OK3.
2. Receivables from suppliers and customers and assets under contracts with customers—the company applies a simplified approach to calculating OK3.

The simplified approach to calculating OK3 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 experience with credit losses, adjusted for forecast factors specific to debtors and the economic environment.

Useful life of property, plant and equipment, and intangible assets

The financial reporting of property, plant and equipment, and intangible assets involves the use of 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 property, plant and equipment and intangible assets is presented in Notes 2.11 and 2.10, respectively.

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3. Net interest income

	2024 BGN thousand	2023 BGN thousand
Interest and other similar income	192	171
Breakdown by legal status of borrowers:		
Revenue from unrelated parties	50	40
Interest from related parties	142	131
Interest and other similar expenses		
Interest on loans received	(6)	(19)
Interest on lease obligations	(53)	(22)
Net interest income	133	130

4. Revenue from the sale of services

	2024 BGN thousand	2023 BGN thousand
Revenue from commissions	11,710	11,428
Revenue from net investments in finance leases	60	68
Income from fees	38	40
Revenue from other services provided	125	3
Total	11,933	11,539

5. Other operating income

	2024 BGN thousand	2023 BGN thousand
Revenue from the sale of assets	--	2
Revenue from written off liabilities	33	-
Revenue from currency revaluations	2	-
Total	35	2

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6. Operating expenses

	2024 BGN thousand	2023 BGN thousand
Personnel expenses (Appendix 6.1)	(7,388)	(8,403)
Rental and maintenance expenses	(1,157)	(1,123)
Depreciation (appendices 13 and 14)	(510)	(529)
Advertising and marketing expenses	(139)	(339)
Communication services expenses	(339)	(331)
Commissions	(315)	(225)
Administrative expenses	(95)	(174)
Representation expenses	(153)	(156)
Legal, accounting, and auditing expenses	(28)	(141)
Expenses for materials, repairs, and other services related to the operation of motor vehicles	-	(92)
Expenses for software maintenance and licenses	(109)	(74)
Business trip expenses	(44)	(62)
Transport, postal and courier service expenses	(479)	(47)
Expenses for written-off and impaired receivables	(29)	(17)
Expenses for other taxes	(21)	(16)
Other expenses	(63)	(78)
Total	(10,869)	(11,807)

6.1 Personnel expenses

	2024 BGN thousand	2023 BGN thousand
Salary expenses	(6,476)	(7,592)
Social security expenses	(847)	(752)
Insurance	(44)	(35)
Work equipment	(5)	(16)
Staff training	(14)	(6)
Other expenses	(2)	(2)
Total	(7,388)	(8,403)

7. Cash and cash equivalents

	2024 BGN thousand	2023 BGN thousand
Cash in banks	1,067	2,287
Cash on hand	243	11
Other cash – checks	4	11
Total	1,314	2,409

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8. Loans and advances to customers

	2024 BGN thousand	2023 BGN thousand
Breakdown by legal status of borrowers:		
Loans to related parties	7,460	4,613
Loans to unrelated parties	1,419	1,176
Loans to individuals	50	50
Loans and advances, gross	8,929	5,839
Less: depreciation of loans granted	(50)	(50)
	8,879	5,789

Depreciation of loans and advances to customers

	2024 BGN thousand	2023 BGN thousand
Depreciation of opening balance	(50)	(183)
Added during infusion	-	-
Charged for the period	-	-
Written off	-	133
Depreciation ending balance	(50)	(50)

9. Current trade receivables

	2024 BGN thousand	2023 BGN thousand
Receivables from related parties	33	406
Receivables from subcontractors	143	153
Contract deposits	40	137
Accounts receivable from suppliers	9	14
Total	225	710

10. Inventories

	2024 BGN thousand	2023 BGN thousand
Goods – carrying amount	-	-
including carrying amount	15	15
Accumulated impairment	(15)	(15)
Materials – carrying amount	6	7
Including carrying amount	6	7
Accumulated impairment	-	0
total	6	7

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11. Other income

	2024	2023
Prepaid expenses	22	28
Other receivables from related parties		
Advances to employees	1	1
Other receivables	18	15
Total	41	44
	2024	2023

12. Investments in subsidiaries

Company:

Cash Credit Poland SA 100% (Country of incorporation: Poland)	-	162
Kredi Ins OOD 65% (Country of incorporation: Bulgaria)	33	33
Total investments in companies	33	195

In April 2024, the Company decided to initiate liquidation proceedings for its subsidiary Cash Credit Poland SA. In August 2024, the subsidiary was liquidated.

By a decision dated May 21, 2020, Cash Credit Bulgaria EOOD, the sole owner of the Company's capital, establishes the Finstar Foundation, a public benefit organization. Its main objective is to develop and strengthen civil society in the field of education. The founding donation amounts to BGN 20 and is not limited in time. It was entered in the Commercial Register on May 26, 2020.

On June 22, 2023, the Company, together with Dimitar Stoyanov Tonev, established a new company called Kredi Ins Ltd., whose main activity is related to insurance brokerage. The Management's idea is to use the network of offices in the country to provide this type of service to end customers. As of December 31, 2024, Cash Credit EAD owns 65% of the shares of Kredi Ins OOD.

13. Equity interests in unconsolidated structured entities

On June 21, 2023, the Company acquired 4,000 *new* shares, numbered from No. AA 30 518 to No. AA 30 522 108 inclusive, in PROFESSIONAL CLUB LEVSKI AD, UIC 121660936. The total value of the acquired shares as at 31 December 2023 is BGN 20 thousand.

PROFESSIONAL CLUB LEVSKI AD is an unconsolidated structured entity in which the Company holds a shareholding. Although the Company has a stake in the capital of PROFESSIONAL CLUB LEVSKI AD, it does not exercise significant control over the entity's activities, which is why it is not included in the consolidation of the Company's financial statements.

PROFESSIONAL CLUB LEVSKI AD is a joint-stock company whose main activity is related to sports and entertainment.

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The company owns 4,000 registered shares with voting rights, which represent an insignificant share of the capital of PROFESSIONAL CLUB LEVSKI AD. The company has no significant control or participation in the management of the company.

The shares in PROFESSIONAL CLUB LEVSKI AD expose the Company to risks related to the financial condition and results of operations of this structured entity. In the event of a deterioration in the financial condition of PROFESSIONAL CLUB LEVSKI AD, the value of the Company's investment may be adversely affected.

Based on the Management's assessment, the Company's participation in PROFESSIONAL CLUB LEVSKI AD does not give rise to the need to recognize additional liabilities or impairment of the investment at the time of preparation of the financial statements.

14. Intangible assets

		Trademarks	Other	Total
		Trademarks, etc.		
For the year ending December 2023				
Carrying amount	426	43	112	581
Newly acquired	-	2	-	2
Written off	-	-	-	-
Accumulated depreciation	(411)	(39)	(85)	(535)
Depreciation for the year	(10)	(3)	(23)	(36)
Depreciation written off	-	-	-	-
Carrying amount at the end of the period	5	3	4	12
Carrying amount	426	45	112	583
Accumulated depreciation	(421)	(42)	(108)	(571)
Net book value	5	3	4	12
For the year ending December 2024				
Carrying amount	426	45	112	583
Newly acquired	27	-	134	161
Written off	-	-	-	-
Accumulated depreciation	(422)	(41)	(108)	(571)
Depreciation for the year	(3)	(2)	(14)	(19)
Depreciation written off	-	-	-	-
Asset value at the end of the period	28	2	124	154
Carrying amount	453	45	246	744
Accumulated depreciation	(425)	(43)	(122)	(590)
Carrying amount	28	2	124	154

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Discussion of intangible assets

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

15. Vehicles and equipment

Tota

	Vehicles	Computer equipment	Office furniture	Office Equipment , etc.	Total
For the year ending December 2023					
Carrying amount	71	811	182	589	1653
Newly acquired		25			25
Sold		(131)	(1)	(7)	(139)
Accumulated depreciation	(47)	(697)	(178)	(515)	(1,437)
Accrued depreciation	(14)	(60)	(1)	(26)	(101)
Depreciation written off		96	1	5	102
Carrying amount at the end of the period	10	44	3	46	10
Carrying amount	71	705	181	582	1,539
Accumulated depreciation	(61)	(661)	(178)	(536)	(1,436)
Balance sheet value	10	44	3	46	103
For the period ending December 2024					
Carrying amount	71	705	181	582	1539
Newly acquired		11	7	7	25
Written off	(68)	(28)	(1)		(97)
Accumulated depreciation	(63)	(661)	(180)	(535)	(1,439)
Accrued depreciation	(1)	(37)	(2)	(16)	(56)
Depreciation written off	61	20	1	-	82
Balance sheet value at the end of the period		10	6	38	54
Carrying amount	3	688	187	589	1,467
Accumulated depreciation	(3)	(678)	(181)	(551)	(1,413)
Balance sheet value		10	6	38	54

Depreciation of vehicles and equipment

Based on the completed review for 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.

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16. Payables to suppliers and customers

Liabilities to suppliers are entirely current liabilities and as at 31.12.2024 amount to BGN 6,122 thousand.
(31.12.2023: BGN 5,042 thousand)

17. Liabilities on loans received

	2024 BGN thousand	2023 BGN thousand
Loans received from Cash Credit Poland SA	-	187
Including principle	-	141
Interest	-	46
total	-	201

The loan agreement with Cash Credit Poland SA was concluded with a fixed interest rate of 4.07%. As at 31 December 2024, the loan was fully repaid.

18. The Company has lease agreements for various properties, vehicles, facilities, and equipment used

The Company has lease agreements for various properties, vehicles, facilities, and equipment used in its operations. Leases for properties (office and warehouse) typically have terms of 3 to 5 years, while vehicles typically have lease terms of 4 to 5 years. In addition, the Company has a lease agreement for computer equipment with a term of 2 years.

In accordance with the requirements of IFRS 16 "Leases", the Company has recognised right-of-use assets and corresponding lease liabilities in its financial statements. Right-of-use assets are depreciated over the lease term, and lease liabilities are discounted using the interest rate on the lease or, when this rate is not readily determinable, using the Company's incremental borrowing rate.

The Company's obligations under its leases are secured by the lessor's ownership of the leased assets. During the reporting period, the Company made payments under its lease agreements, which include both principal and interest payments.

As of January 1, 2024, the Company entered into an office space lease agreement and, in accordance with the provisions of IFRS 1b "Leases," the Company recognized it as a right-of-use asset.

The carrying amounts of the recognized right-of-use assets and movements during the period are provided below:

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	Office and equipment t BGN thousand	Transport assets BGN thousand	Computer equipment BGN thousand	Total BGN thousand
On December 31, 2022	227	9	-	236
Acquired	-	356	112	468
Written off	(1,353)	(36)	-	(1,389)
Accrued depreciation for the year	(290)	(50)	(51)	(391)
Depreciation written off	1.416	36	-	1,452
Effect of rent discounts	-	-	-	-
As at 31 December 2023	-	315	61	376
Acquired	919		--	919
Written off	-	-	-	-
Accrued depreciation for the year	(306)	(72)	(56)	(434)
Depreciation written off	-	-	-	-
Effect of rent discounts	-	-	-	-
As of December 31, 2024,	613	243	5	861

As of January 1, 2024, the Company subleases part of the office premises to Cash Credit Mobile EAD under the same terms and conditions of its agreement with the lessor.

Below are the balance sheet values for lease obligations (including interest-bearing loans and borrowed funds) and movements during the period:

	2024 BGN thousand	2023 BGN thousand
On January 1	363	313
Acquired	919	468
Interest accrued	35	22
Offsets	-	(39)
Payments	(414)	(401)
Effect of rent discounts	-	-
As at 31 December	903	363
Current	398	130
Non-current	505	233

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The amounts recognized in profit or loss are presented below:

	2024	2023
Depreciation expense on assets with right of use	(434)	(391)
Interest expenses on lease obligations	(35)	(22)
Total amount recognized in profit or loss	(469)	(413)

The Company's total cash outflows related to leases amounted to BGN 414 thousand in 2024 (in 2023: BGN 401 thousand).

19. Other current liabilities

	2024 BGN thousand	2023 BGN thousand
Payroll liabilities to staff	566	580
Social security liabilities	180	148
Tax liabilities	55	57
Other	-	25
total	801	810

20. Income tax

Income tax in the individual comprehensive income statement is formed from deferred taxes as follows

	2024 BGN thousand	2023 BGN thousand
Current income tax expense	(125)	-
Deferred tax income/(expense)	7	(10)
	(118)	(10)

Under Bulgarian tax legislation, the effective tax rate for taxable profit is 10% (2023: 10%). *Deferred* taxes are calculated for all temporary tax differences using the effective tax rate of 10% (10% for 2023).

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The movement in deferred taxes is as follows:

Statement of comprehensive income:

	2024 BGN thousand	2023 BGN thousand
January 1 Deferred tax assets/(liabilities), net	53	63
Statement of comprehensive income	7	(10)
At the end of the period — deferred tax assets	60	53

For 2024 and 2023, the Company did not form deferred tax liabilities. Deferred tax assets relate to the following items:

	2024 BGN thousand	2023 BGN thousand
<i>Deferred tax assets</i>		
Unpaid income of individuals	22	21
Unused vacation	28	21
Provisions for expenses	2	2
Depreciation of inventories	2	2
Depreciation of receivables	6	6
Difference between remaining expenses related to operating lease agreements, according to MCC	-	1
Deferred tax assets	60	53

Reconciliation of expected tax expenses with actual tax expenses for the period ending December 31, 2024, and 2023:

	2024 BGN thousand	2023 BGN thousand
Accounting profit (loss) before taxes	1,232	(136)
Tax rate 10% (2023: 10%)	123	-
Effect of expenses not recognized for tax purposes	116	22
Tax effect of losses used (carried forward to future periods)	(114)	114
Current income tax expense	125	-

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Since its establishment, the Company has not undergone a full tax audit. The tax authorities have the right to inspect the accounts and records at any time within 5 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 give rise to potential material liabilities in this regard.

As of December 31, 2024, the Company has corporate tax liabilities in the amount of BGN 125 thousand. (as of December 31, 2023: no corporate tax liabilities).

21. Registered capital

	Shares	Value per share	Total BGN thousand
January 1 2022	800,100	10	8,001
As of December 31, 2022	200,100	10	2,001
As of December 31, 2023	200,100	10	2,001

Based on a decision taken by the sole owner of Cash Credit EAD on 16.09.2021, steps have been taken to reduce the Company's registered capital from BGN 8,001 thousand to BGN 2,001 thousand by reducing the number of issued shares. The entry in the Commercial Register was made on January 6, 2022.

The total approved number of ordinary shares at the end of the reporting period is 2,001 thousand shares (2023: 2,001 thousand shares). All shares issued as at 31 December 2024 are fully paid up.

As at 31 December 2024, the value of the Company's equity is BGN 1,595 thousand higher (2023: BGN 781 thousand) than the value of the registered capital.

22. Legal reserves

The statutory reserves in the amount of BGN 800 thousand (31.12.2023: BGN 800 thousand) include in full the amounts for the

"Reserve" fund, formed from the distribution of profits of the merged company Cash Credit EAD, in accordance with the requirements of the Commercial Law and the company's articles of association. The company allocates to the

Reserve Fund at least one tenth of its profit after taxation and before the payment of dividends, until the funds in the fund reach one tenth of the capital. The funds from the reserve fund may be used to cover losses from the company's activities for the current and previous year.

23. Related parties

Cash Credit EAD is controlled by Cash Credit Bulgaria EOOD, which owns 100% of the company's shares. On August 24, 2022, Cash Credit Bulgaria has a new owner — the Bulgarian company Cash Credit Invest Holding EAD. The ultimate owners of Cash Credit EAD are also the natural persons who own Cash Credit Invest Holding EAD. As of the date of the individual report, these are: Georgi Boyanov Krumov and Plamen Vasilev Petrov

The Company's key management personnel are the members of the Management 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 or liabilities to related parties.

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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 (2023: none). 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.

Transactions with related parties – revenue from sales of goods	2024 BGN thousand	2023 BGN thousand
Cash Credit Mobile (related through parent company)	287	219
Total	287	219
Transactions with related parties – interest income	2024 BGN thousand	2023 BGN thousand
Cash Credit Mobile (related through parent company)	-	49
Cash Credit Bulgaria EOOD (parent company)	136	82
Total	136	131
Transactions with related parties – interest expense	2024 BGN thousand	2023 BGN thousand
Cash Credit Poland SA (subsidiary)	4	6
Cash Credit Invest Holding EAD (ultimate parent company)	0	19
Total	4	25
Transactions with related parties – liabilities	2024 BGN thousand	2023 BGN thousand
Cash Credit Poland SA (subsidiary) – liability on loans	-	187
Cash Credit Invest Holding EAD (ultimate parent company) – liabilities on loans received	-	-
Total	187	187

24. Contingent liabilities and commitments

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 outlook for the year ending December 31, 2024. There are no significant legal claims, contingent liabilities, or commitments.

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25. Events after the reporting date

On January 30, 2025 The company transferred its subsidiary Kredy Ins OOD to Georgi Boyanov Krumov and Plamen Vasilev Petrov.

No adjusting events or other non-adjusting events 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.