

Translation from Bulgarian

INDEPENDENT AUDITOR’S REPORT

To the shareholders of ITF GROUP JSC
Sofia, 16 Srebarna St, Park Lane Office Center, fl. 8

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ITF GROUP JSC (the Company) which comprise the statement of financial position as at 31 December 2023 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, containing significant information on accounting policies and other clarifying information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, applicable in regards to our audit of the financial statements in Bulgaria, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of receivables from granted loans – Notes 4.12, 18	
Key Audit Matter	How the Key Audit Matter was addressed during our audit
As disclosed in <i>Note 18</i> of the financial statements, the Company reports receivables from loans granted with a gross value of	During our audit, audit procedures included, but were not limited to, the following: - We performed a review and

BGN 29 674 thousand and accumulated expected credit losses in the amount of BGN 6 799 thousand, accordingly a net book value of BGN 22 875 thousand. Receivables from loans granted represent a significant part (87%) of the total assets of the Company's Statement of financial position as at 31 December 2023.

The Company applies impairment models based on expected credit losses in accordance with the requirements of IFRS 9 Financial Instruments.

The assessment of expected credit losses from loans granted and receivables from customers requires that the Company's management apply a significant level of judgment in the application of accounting estimates in the following areas:

- the classification of exposures by stages of impairment and identification of exposures with deteriorating credit quality.
- the assumptions included in the risk parameters of the models for determining expected credit losses, with input data obtained from internal and external sources.
- the included factors related to one-off events such as sales and write-offs.

The models used are based on the probability of default and the expected loss at default for the individual categories of loans granted. Input data for the models, calculation methods and their application depend on the judgments of the Company's management included in the mathematical models for their calculation.

Expected credit losses are determined using available historical information, adjusted with expected future developments where necessary (*Note 4.12*).

The assessment of the classification in the stages for impairment is the result of a combination of quantitative and qualitative factors to assess the credit risk of the borrowers.

We have identified the measurement of

assessment of the policies and procedures developed by the Company for the models for calculating expected credit losses on loans granted, and the occurred changes;

- We obtained an understanding of the Company's processes of determining expected credit losses of receivables from loans granted in order to develop our further audit procedures in such a way that we would be able to address the risks of material misstatements.

- We applied procedures to verify the extent to which the controls related to monitoring loans granted have been built and implemented by the Company, as well as an assessment of their operational effectiveness;

- We reviewed and assessed the processes for classification of loans and determination of necessary impairment on a collective basis, by sampling specific loans and receivables from the loan portfolio and conducting tests of details as part of the substantive procedures regarding the classification and value of loans granted to customers.

- We obtained an understanding of the methodology adopted and applied by the Company for the application of the expected credit loss model in accordance with IFRS 9, the use of key assumptions and judgments.

- For the sample of loans, we assessed the appropriateness of the classifications in stages, taking into account whether there were factors indicating a significant increase in credit risk.

- We performed detailed substantive procedures on a sample of loans in order to verify the correct classification of the loans and to identify whether there were indicators of impairment that would lead to the need to make corrections to the amount of expected credit loss.

- We applied professional judgment to assess the assumptions used in determining the impairments and compared our judgments with those used by the Company.

<p>expected credit losses of loans granted as a key audit matter due to the following factors:</p> <ul style="list-style-type: none"> - the significance of the net measurement of receivables from loans granted for the financial statements of the Company, the value and the moment of recognition of expected credit losses and impairments of loans granted; - one-off events that occurred during the period; - the inherent degree of subjectivity and uncertainty when using multiple assumptions and judgments by the management in determining the amount of expected credit losses related to receivables from loans granted, according to the methodology adopted in accordance with IFRS 9. 	<p>We analyzed and checked whether there are any violations of the contracts and/or deviations in complying with the contractual conditions. We took into account the impact of current economic conditions and other factors that might affect the collectability of loans.</p> <ul style="list-style-type: none"> - We reviewed and assessed how reasonable and appropriate the results obtained from the applied models for determining the amount of expected credit loss, are. - We assessed the completeness and adequacy of the disclosures in the Company's financial statements related to expected credit loss of receivables from loans granted and the Company's exposure to credit risk.
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Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the annual management report and the corporate governance statement, prepared by management in accordance with Chapter Seven of the Bulgarian Accountancy Act, but does not include the financial statements and our auditor’s report thereon, which have been received before the date of our auditor’s report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted

by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Additional matters required to be reported by the Bulgarian Accountancy Act and the Bulgarian Public Offering of Securities Act

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the Financial Statements and Auditor's Report Thereon", regarding annual management report and the corporate governance statement, we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria – the Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of the Bulgarian Accountancy Act, Article 100m, paragraph (10) in connection with Article 100m, paragraph (8), subparagraphs (3) and (4) of the Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, paragraph (6) of the Bulgarian Accountancy Act

Based on the procedures performed, we state the following:

- a) the information in the management report is consistent with the financial statements for the same reporting period;
- b) the management report is prepared in accordance with the requirements in Chapter Seven of the Bulgarian Accountancy Act and Article 100m, paragraph (7) of the Bulgarian Public Offering of Securities Act, with the following exceptions:
 - the required information regarding loan contracts granted by ITF GROUP JSC, in accordance with subparagraph (9) of Appendix No. 2 to Regulation № 2/09.11.2021 in connection with Article 100m, paragraph (7), subparagraph (2) of the Bulgarian Public Offering of Securities Act, is not included in the management report insofar as the Company complies with the personal data requirements, since the borrowers are natural persons. Due to the substantial volume of active borrowers and the technical inability to present detailed information for each and every borrower in the management report, this

information is presented in a summarized manner. Our statement is not modified regarding this matter.

c) the corporate governance statement for the financial year contains the required information in accordance with Chapter Seven of the Bulgarian Accountancy Act and Article 100m, paragraph (8) of the Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 100m, Paragraph (10) in connection with Article 100m, paragraph (8), subparagraphs (3) and (4) of the Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Company and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Company in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the corporate governance statement, being a component of the annual management report.

Additional reporting concerning the audit of financial statements in connection with Article 100m, paragraph (4), subparagraph (3) of the Bulgarian Public Offering of Securities Act

Statement on Article 100m, paragraph (4), subparagraph (3), item “b” of the Bulgarian Public Offering of Securities Act

Related party transactions are disclosed in *Note 34* to the financial statements. Based on the performed audit procedures on related party transactions as part of our audit of financial statements as a whole, no facts, circumstances or other information have come to our attention that caused us to conclude that the related party transactions are not disclosed in the accompanying financial statements for the year ended on 31 December 2023, in all material respects, in accordance with the requirements of IAS 24 „Related Party Disclosures.“ The results of our audit procedures on related party transactions were taken into consideration for the purposes of issuing an auditor’s opinion on the financial statements as a whole, not for issuing a separate opinion only on related party transactions.

Statement on Article 100m, paragraph (4), subparagraph (3), item “c” of the Bulgarian Public Offering of Securities Act

Our responsibilities for audit of the financial statements as a whole, described in our report in section “Responsibilities of the Auditor for the Audit of Financial Statements” include assessment whether the financial statements present fairly the significant transactions and events. Based on the performed audit procedures on the significant transactions, which are fundamental to the financial statements for the year ended on 31 December 2023, no facts, circumstances or other information have come to our attention that caused us to conclude that there are instances of unfair presentation and disclosure in accordance with the requirements of IFRS, as adopted by the European Union. The results of our audit procedures on the significant transactions and events of the Company, which are material to the financial

statements, were taken into consideration for the purposes of issuing an auditor's opinion on the financial statements as a whole, not for issuing a separate opinion only on the significant transactions.

Reporting on compliance of the electronic format of the financial statements included in the annual financial report on the activity under Article 100m, paragraph (4) of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation

In addition to our responsibilities and reporting under ISA, described above in the section "Auditor's Responsibilities for the Audit of the Financial Statements", we have followed the procedures in accordance with the Guidelines on Issuing of Audit Opinion regarding the Implementation of the European Single Electronic Format (ESEF) for the financial statements of companies whose securities are admitted to trading on a regulated market in the European Union (EU)" of Bulgarian Institute of Chartered Accountants (ICPA) in Bulgaria". These procedures include verifying the electronic file format and whether the human readable part of it corresponds to the audited financial statements and expressing an opinion regarding the compliance of the electronic format of the financial statements of ITF GROUP JSC for the year ending 31 December 2023, contained in the electronic file „254900SP9M660ZUP0O21-20231231-BG-SEP.xhtml“, with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (“ESEF Regulation”). Based on these requirements, the electronic format of the financial statements included in the annual financial report on the activity under Article 100m, paragraph (4) of the Bulgarian Public Offering of Securities Act, must be submitted in XHTML format.

The management of the Company is responsible for the application of the requirements of ESEF Regulation when preparing the electronic format of the financial statements in XHTML.

Our opinion is only regarding the electronic format of the financial statements included in the electronic file „254900SP9M660ZUP0O21-20231231-BG-SEP.xhtml“ and does not include the other information contained in the annual financial report on the activity under Article 100m, paragraph (4) of the Bulgarian Public Offering of Securities Act.

Based on the performed procedures, our opinion is that the electronic format of the financial statements of the Company for the year ended 31 December 2023, contained in the attached electronic file „254900SP9M660ZUP0O21-20231231-BG-SEP.xhtml“ has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting Pursuant to Article 10 of Regulation (EC) № 537/2014 in connection with requirements of Article 59 of the Bulgarian Independent Financial Audit Act

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Ecovis Audit Bulgaria OOD was appointed as statutory auditor of the financial statements of ITF GROUP JSC (the Company) for the year ended 31 December 2023 by the general meeting of shareholders, held on 20 September 2023, for a period of one year.

- The audit of the financial statements of the Company for the year ended 31 December 2023 represents the first complete and consecutive statutory audit engagement by us for the Company.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, provided in accordance with Article 60 of the Bulgarian Independent Financial Audit Act.
- We confirm that no prohibited non-audit services, as referred to in Article 64 of the Bulgarian Independent Financial Audit Act, have been provided.
- We confirm that we remained independent of the Company during the process of conducting the audit.
- For the period of our engagement as statutory auditors, we have not provided any other services to the Company in addition to the statutory audit.

Sofia ,27 March 2024

Maria Nikolova Manolova
Registered auditor, responsible for the audit

Electronic signature

Georgi Trenchev
Manager

Electronic signature

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