

INDIVIDUAL ANNUAL FINANCIAL STATEMENTS
2025

CONTENTS

INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
INDIVIDUAL STATEMENT OF FINANCIAL POSITION	3
INDIVIDUAL STATEMENT OF FINANCIAL POSITION (continued)	4
INDIVIDUAL STATEMENT OF CASH FLOWS	5
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY	6
1. DETAILS ON THE COMPANY	7
2. STATEMENT ON COMPLIANCE WITH IFSS AND USING THE PRINCIPLE OF OPERATIVE CONCERN.....	8
3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS	9
4. SIGNIFICANT ACCOUNTING POLICY INFORMATION	11
5. ПРИХОДИ ОТ ФИНАНСОВИ АКТИВИ	29
6. INCOME FROM FINANCIAL ASSETS	29
7. OTHER INCOME	29
8. INVENTORY.....	30
9. EXPENSES FOR HIRED SERVICES	30
10. EMPLOYEE BENEFIT EXPENSES	31
11. OTHER OPERATING EXPENSES	31
12. EXPENSES FOR EXPECTED CREDIT LOSS OF GRANTED LOANS, NET	31
13. INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES	31
14. (EXPENSES)/INCOME CONNECTED TO INCOME TAX	31
15. INTANGIBLE ASSETS, PLANT AND EQUIPMENT	33
16. RIGHT-OF-USE ASSETS	35
17. INVESTMENTS IN SUDSIDIARIES	35
18. INVESTMENTS IN ASSOCIATED COMPANIES	36
19. ASSETS FROM DEFERRED TAXES (NET).....	37
20. RECEIVABLES ON GRANTED LOANS	38
21. TRADE RECEIVABLES AND ADVANCES	46
22. OTHER CURRENT ASSETS	43
23. GUARANTEES	43
24. CASH AND CASH EQUIVALENTS	43
25. EQUITY	44
26. BOND ISSUE LIABILITIES	46
27. PAYABLES UNDER LEASE CONTRACTS 3.....	50
28. NON-CURRENT LIABILITIES FOR BORROWINGS	51
29. TRADE PAYABLES	52
30. CORPORATE TAX LIABILITY	52
31. EMPLOYEE BENEFITS AND PAYABLES TO SOCIAL SECURITY INSTITUTIONS	52
32. LIABILITIES FOR CONTINUING INVOLVEMENT IN FINANCIAL ASSETS	52
33. LIABILITIES FOR SHORT-TERM BORROWINGS	52
34. OTHER LIABILITIES	53
35. RECONCILIATION OF CASH FLOWS CONNECTED TO FINANCIAL ACTIVITIES	54
36. RELATED PARTIES	54
37. MACROECONOMIC ENVIRONMENT	61
38. FINANCIAL RISK MANAGEMENT	63
39. FAIR VALUES	66
40. CONTINGENT ASSETS AND CONTINGENT LIABILITIES	67
41. EVENTS AFTER THE DATE OF THE INDIVIDUAL FINANCIAL STATEMENTS	68
42. APPROVAL OF THE ANNUAL INDIVIDUAL FINANCIAL STATEMENTS	68

Notes 1 to 42 are an integral part of these financial statements.

INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31.12.2025 KBGN	31.12.2024 KBGN
Income from financial assets	5	31 323	24 770
Revenue from contracts with customers	6	4 151	1 475
Other income	7	108	92
Inventory	8	(22)	(37)
Hired services	9	(2 245)	(1 943)
Employee benefits	10	(5 034)	(4 226)
Other operative expenses	11	(3 232)	(2 706)
Expected credit loss, net	12	(11 857)	(8 964)
Interest and other financial expenses	13	(4 722)	(2 790)
Amortisation	16,17	(542)	(538)
Net effect from sale of receivables	20	(1 814)	(1 113)
Profit before tax		6 114	4 020
(Loss)/ gains from income taxes	14	(656)	(434)
Profit for the period		5 458	3 586
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5 458	3 586

The annual individual financial statements were approved by the Board of Directors and signed on 30th March 2026:

Svetoslav Angelov
Executive Director

Zornitsa Staynova
Compiler

By auditor's report:
Ecovis Audit Bulgaria, an audit company, reg. № 114

Georgi Trenchev, Manager

Maria Manolova, registered auditor, responsible for the audit

INDIVIDUAL STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2025 KBGN	31.12. 2024 KBGN
ASSETS			
Non-current assets			
Tangible and intangible assets	15	754	774
Right-of-use assets	16	290	578
Deferred tax assets	19	25	25
Investments in subsidiaries	17	1 947	-
Investments in associated entities	18	83	-
Related party receivables	36	-	937
Long- term receivables	20	22 571	2 357
		25 670	4 671
Current assets			
Receivables from granted loans	20	25 267	30 456
Trade receivables and advances	21	303	46
Other current assets	22	156	393
Issued guarantees	23	148	114
Cash and cash equivalents	24	5 678	3 222
Short – term related party receivables	36	1 996	225
		33 548	34 456
TOTAL ASSETS		59 218	39 127

The annual individual financial statements were approved by the Board of Directors and signed on 30th March 2026:

Svetoslav Angelov
Executive Director

Zornitsa Staynova
Compiler

By auditor's report:
Ecovis Audit Bulgaria, an audit company, reg. № 114

Georgi Trenchev, Manager

Maria Manolova, registered auditor, responsible for the audit

INDIVIDUAL STATEMENT OF FINANCIAL POSITION (continued)

	Notes	31.12.2025 KBGN	31.12.2024 KBGN
EQUITY AND LIABILITIES			
EQUITY			
Share capital	25.1	3 500	3 500
Reserves	25.2	2 660	2 660
Retained earnings	25.3	11 504	7 246
TOTAL EQUITY		17 664	13 406
LIABILITIES			
Non-current liabilities			
Non-current bond issue payables	26	21 757	8 514
Non-current lease liabilities	27	65	320
Non-current borrowings	28	493	1 074
		22 315	9 908
Current liabilities			
Current bond payables	26	2 578	1 212
Current lease liabilities	27	252	314
Trade payables	29	71	150
Tax payables	30	56	136
Employee benefits and payables to social security payables	31	480	383
Payables for continuing interest in financial assets	32	15 009	12 377
Current borrowings	33	616	1 009
Other payables	34	131	223
Current related party payables	36	46	9
		19 239	15 813
TOTAL LIABILITIES		41 554	25 721
TOTAL EQUITY AND LIABILITIES		59 218	39 127

The annual individual financial statements were approved by the Board of Directors and signed on 30th March 2026:

Svetoslav Angelov
Executive Director
Zornitsa Staynova
Compiler

By auditor's report:
Ecovis Audit Bulgaria, an audit company, reg. № 114

Georgi Trenchev, Manager

Maria Manolova, registered auditor, responsible for the audit

INDIVIDUAL STATEMENT OF CASH FLOWS

	Notes	31.12.2025	31.12.2024
		KBGN	KBGN
Cash flows from operating activity			
Cash proceeds from granted loans		65 214	44 689
Payments to borrowers		(60 252)	(36 925)
Cash proceeds from other sales		78	69
Payments to suppliers and proceeds from other customers, net		(6 297)	(3 522)
Payments to employees and social security institutions		(5 398)	(4 473)
Tax payments (net of profit tax)		(251)	(257)
Paid corporate tax		(737)	(504)
Other proceeds/(payments), net		(2 154)	(563)
Net cash flows from related parties loans		2 347	
Net cash flows used in operating activity		(7 450)	(1 486)
Cash flows from investing activity			
Loans granted		-	(1 871)
Cash flows related to tangible assets		(34)	(33)
Net cash flows from investing activity		(34)	(1 904)
Cash flows from financing activity			
Cash flows from bond issue (net)		14 647	6 627
Proceeds from borrowings		4 254	6 216
Repayments of borrowings		(4 597)	(5 030)
Paid interest		(2 682)	(1 050)
Lease payments		(491)	(505)
Paid dividends		(1 191)	(389)
Net cash flows from financing activity		9 940	5 869
Net increase of cash and cash equivalents		2 456	2 479
Cash and cash equivalents on 1 January	24	3 222	743
Cash and cash equivalents on 31 December	24	5 678	3 222

The annual individual financial statements were approved by the Board of Directors and signed on 30th March 2026:

Svetoslav Angelov
Executive Director

Zornitsa Staynova
Compiler

By auditor's report:

Ecovis Audit Bulgaria, an audit company, reg. № 114

Georgi Trenchev, Manager

Maria Manolova, registered auditor, responsible for the audit

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total
	KBGN	KBGN	KBGN	KBGN
Balance on 1st January 2024	3 500	2 607	4 113	10 220
<i>Changes in equity for 2024:</i>				
Transfer of retained earnings to reserves		53	(53)	
Dividends			(400)	(400)
Total comprehensive income for the year			3 586	3 586
Balance on 31st December 2024	3 500	2 660	7 246	13 406
<i>Changes in equity for 2025:</i>				
Transfer of retained earnings to reserves				
Dividends			(1 200)	(1 200)
Profit for the period			5 458	5 458
Balance on 31st December 2025	3 500	2 660	11 504	17 664

The annual individual financial statements were approved by the Board of Directors and signed on 30th March 2026:

Svetoslav Angelov
Executive Director

Zornitsa Staynova
Compiler

By auditor's report:
Ecovis Audit Bulgaria, an audit company, reg. № 114

Georgi Trenchev, Manager

Maria Manolova, registered auditor, responsible for the audit

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. DETAILS ON THE COMPANY

ITF GROUP JSC is a company established in 2012. The company's seat and registered address is in Sofia 1407, Lozenets region, 16 Srebarna St, Park Lane Office Building. The company is registered in the Commercial Register with company number 202255877 and in the Bulgarian National Bank (BNB) register of non-banking financial institutions in accordance with the Credit Institutions Act.

1.1. Scope of business

ITF Group JSC is a financial institution in accordance with art. 3, para 2 of the Credit Institutions Act (published in the State Gazette, issue 59 from 21 July 2006 with its subsequent amendments). The company is entered under number BGR000298 in the Bulgarian National Bank register. The company's main scope of business is the granting of loans with funds not raised through public raising of deposits or other refundable money.

1.2. Ownership and management

Shareholders in ITF Group JSC as at 31.12.2025 according to the Shareholder's book issued by Central Depository on 6th January 2026 are:

- Abbey Capital PLTD – 3 098 275 shares – 88.52 %;
- Other non-related companies – 255 218 shares – 7.30 %;
- Natural persons – 146 507 shares – 4.18 %;

By Decision of the BEAM Market Management Committee, at the Bulgarian Stock Exchange and in connection with with an application submitted under Art. 4, para. 4 of Part III Rules for admission to trading on the BEAM market, The BEAM Market Management Committee, on the basis of Art. 8, para. 1 of the same, admitted to trading on the BEAM market the issue of shares issued by ITF Group JSC, ISIN code BG1100022224. The emission was given the stock exchange code ITFA. The date on which trading began is 4th January 2023.

The Company has a one-tier management system.

The General Assembly of Shareholders appointed a new Board of Directors at its regular annual meeting on 25th June 2025. The new Board of Directors consists of:

- Svetoslav Yuriy Angelov – Executive Director and member of the Board of Directors;
- Yuriy Angelov Angelov – Chairperson of the Board of Directors;
- Zornitsa Georgieva Staynova – member of the Board of Directors;
- Zornitsa Georgieva Staynova – member of the Board of Directors;
- Diyan Dimitrov Georgiev - member of the Board of Directors.

The entry on the change in the Board of Directors in the Commercial Register of the Registry Agency is dated 15th July 2025.

The company is represented by Svetoslav Yuriy Angelov.

An Audit Committee was appointed at the above-mentioned General meeting of shareholders, consisting of:

- Iliyana Petrova
- Radostin Vazov
- Daniela Mihaylova

The Audit Committee supports the work of the BoD and is responsible for the governance of the company.

Its members monitor and supervise the Company's internal control, risk management and financial reporting system.

As at 31 December 2025 the company has 79 employees under employment contract (2024: 71 employees).

The beneficial owner of the Company is Abbey Capital PLTD, the equity instruments of which are not traded on the market. Abbey Capital PLTD prepares consolidated financial statements that are published in the Commercial Register at the Registry Agency. By the date of this individual financial statement, the consolidated financial statement of the company's beneficial owner has not yet been prepared.

1.3. Key indicators of the economic environment

The key indicators of the economic environment that influence the company's business for the period 2023 - 2025 are summarised in the following table:

Indicator	2025	2024	2023
GDP, BGN million	226 912	202 861	183 743
Actual GDP growth	3.1%	1.7%	1.8%
Inflation at the end of the year	5.0%	2.2%	9.5%

source: National Institute of Statistics, Investor BG

2. STATEMENT ON COMPLIANCE WITH IFRS AND USING THE PRINCIPLE OF OPERATIVE CONCERN

2.1 Statement on compliance with IFRS adopted by the EU

The Company's individual financial statements have been prepared in accordance with the IFRS accounting standards developed and published by the Council on International Accounting Standards (CIAS) and adopted by the European Union (EU) (IFRS adopted by EU). According to para 1, point 8 of the Additional provisions of the Accounting Act valid in Bulgaria, the term "IFRS adopted by EU" means the International Accounting Standards (IAS) adopted in accordance with Directive (EU) 1606/2002 of the European Parliament and the European Council.

The management is responsible for the preparation and truthful presentation of the information herein.

2.2 Going concern

The individual financial statements have been prepared in accordance with the principle of operative concern and taking into account the possible effects of the on-going impact of the military conflict in the Ukraine, as well as climate-related issues.

The conflict between Russia and the Ukraine

The conflict between Russia and the Ukraine had a significant impact on the world economy in numerous ways connected mainly to energy resource prices. The volatile prices and inflation in world economy could have an extensive influence on the economy as a whole in terms of business models, the delivery chain, legal and contractual issues, employees, consumers and the working capital of various businesses. The Company is not exposed to contractors from sanctioned countries. During the accounting period, the conflict between Russia and the Ukraine had no significant effect on ITF Group's activities.

The conflict in the Middle East

During the accounting period, the conflict between Israel and Hamas had no significant effect on ITF Group's activities. The company has no expositions to partners from the affected regions and does not use the risky transport corridors. As of the date of preparation of the interim financial statements the geopolitical environment connected to the conflict in the Middle East has led to a significant increase of fuel prices on the international markets. As of the date hereof, the company does not report any negative impact of the escalation of the conflict on its operations.

Future development

The company continues focusing on the development of the online business model.

The direction of the company's development in the coming periods is preserved: introduction of new products, expanding the customer base, including to new segments, increasing our market share. We would also continue our investments in technology and optimization processes that facilitate and optimize customer interactions.

More information on the future development of the company and our planned priorities could be found in point 6 of the individual report on the company's activities.

As at the date of preparation of these financial statements, the management has assessed the company's ability to continue operating as going concern based on the information available for the foreseeable future. Based on the company's business review, the management expects that the company has sufficient assets, financial resources and opportunities available to continue its operations in the near future and shall apply the going concern principle to the preparation of the annual financial statements.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1. New standards which have become effective on January 1st 2025

The Company has adopted the following new standards, amendments and clarifications of International Financial Reporting Standards (IFRS) prepared by the International Accounting Standards Board and endorsed by the EU, which are applicable and in force for the Company's financial statement for the annual period starting on January 1st 2025, but have no significant effect on the financial result and the financial status of the Company:

- Amendments to IAS 21 Effects from the changes in exchange rates: Lack of convertibility effective from 1 January 2025, not yet adopted by the EU.

3.2. Standards, amendments and definitions, which have not yet been enforced and are not applied at an earlier date by the Company

As at the date hereof a number of new standards, amendments and definitions of existing standards have been issued, but not yet enforced and have not been endorsed by the EU for the financial year beginning on January 1st 2025 and have not been applied by the Company earlier. The management expects all standards and amendments to be adopted in the company's accounting policy during the first period beginning after the date of their enforcement. Information on these amended standards is provided herein below:

Annual improvements effective since 1st January 2026, adopted by EU

The annual improvements affect a wide area of topics in the following standards:

- **IFRS 1 Applying the IFRS for the first time**
- **IFRS 7 Financial instruments: Disclosure**
- **IFRS 9 Financial instruments**
- **IFRS 10 Consolidated financial statements**

- **IAS 7 Cash flow statements**

Amendments to the classification and valuation of financial instruments (amendments to IFRS 9 and IFRS 7), effective from 1st January 2026, adopted by the EU

The amendments include:

- Derecognition of a financial liability settled by electronic transfer. The amendments to the guidelines for the application of IFRS 9 allow a company to consider that a financial liability (or part thereof) that will be settled through a system for electronic payments, is repaid before the settlement date, if certain criteria have been met. The company that chooses to apply the write-off option will have to apply it to all payments made through the same electronic payment system.
- Classification of financial assets
 - Clarifications are given on the way a company may assess whether the contractual cash flows of a financial asset correspond to the principal loan agreement. The amendments contain examples of financial assets that have or do not have contractual cash flows, which are only payments of principal and interest on the outstanding principal.
 - The amendments improve the description of the term "non-regressive". According to the amendments, a financial asset has the characteristics of a non-regressive one if the company's ultimate right to receive cash flows is contractually limited to cash flows generated by certain assets.
 - The amendments clarify the characteristics of contractual related instruments that distinguish them from other deals. The amendments also note that not all multi-debt transactions meet the criteria for transactions with multiple contractually related instruments and provide an example. The reference to the instruments in the core group can include financial instruments that are not covered by the classification requirements.
- Disclosures:
 - *Investments in equity instruments accounted for by fair value through other comprehensive income* The requirements of IFRS 7 are changed regarding the disclosures that the company makes about these investments. In particular, the company will be required to disclose profit or loss at fair value, represented through other comprehensive income during the period, showing separately the profit or loss at fair value, which relates to investments derecognised during the period, and profit or loss at fair value, which relates to investments held at the end of the period.
 - *Contractual terms that could change the time or amount of the contractual cash flows* The amendments require disclosure of contractual terms that could change the time or amount of the contractual cash flows upon occurrence (or non-occurrence) of a contingent event that is not directly related to changes in the underlying credit risks and costs. The requirements apply to each class of financial asset measured at amortised or at fair value through other comprehensive income, and for each class of financial liability measured at amortised cost.

IFRS 18 Presentation and Disclosure in Financial Statements, effective January 1, 2027, not yet adopted by the EU

IFRS 18 aims to improve the way entities disclose information in their financial statements, with an emphasis on information on financial performance in the statement of profit or loss. The requirements in IAS 7 Cash Flow Statements are also partly changed. IFRS 18 becomes effective on 1st January 2027, but companies are allowed to use it before the above-mentioned date. IFRS 18 replaces IAS 1 Presentation of financial statements. The requirements in IAS 1 that remain unchanged have been transferred to IFRS 18 and other standards. IFRS 18 will affect all companies in all branches of the economy. Although IFRS 18 will not affect the way in which companies evaluate financial performance, it will affect the way in which companies present and disclose the financial results. IFRS 18 aims to improve financial reporting through:

- a requirement for additional defined subtotals in the profit or loss statement
The adding of defined subtotals in the profit or loss statement facilitates the comparison of companies' financial results and provides a consistent starting point for investor analysis.
- a requirement to disclose performance indicators defined by the management;

The requirement for companies to disclose information on certain performance indicators increases discipline in their use and transparency in their calculation.

- adding new principles for grouping (aggregation and disaggregation) of information. Defining requirements on whether the information needs to be in the main financial statements or in the notes thereto and presenting principles on the necessary level of detail improves the effective transfer of information.

IFRS 19 Subsidiaries Not Publicly Accounted For: Disclosures, effective from 1 January 2027, not yet adopted by the EU

The aim of IFRS 19 is to define the requirements for disclosure which a company is entitled to apply instead of the disclosure requirements in other IFRS. The Company may choose to implement IFRS 19 in its consolidated or individual financial statements if at the end of the reporting period it is a subsidiary and it is not publicly accountable and it has an ultimate or an intermediary mother company which prepares consolidated financial statements that are publicly available and adhere to the accounting standards of IFRS. IFRS 19 defines the detailed disclosures that a company applying IFRS 19 is obliged to make. These disclosure requirements are a shortened version of the requirements of other IFRS standards. Of all 34 IFRS standards which include requirements for disclosure, IFRS 19 provides for reduced disclosure requirements for 30 of them. The disclosure requirements from 3 standards need to be fully implemented (IFRS 8, IFRS 17 and IAS 33). The companies using IAS 26 Accounting and reporting plans for pension insurance do not meet the criterion „are not publicly accountable“ and therefore could not apply IFRS 19.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1. General provisions

The most significant accounting policies applied for the preparation hereof are summarised below.

The individual financial statements are prepared in accordance with the principle of assessment and the principle of historical price. Valuation bases are described in details below.

The individual financial statements are prepared in Bulgarian leva (BGN), which is the functional currency of the Company. All amounts are presented in thousand BGN (KBGN) (including the comparative information for 2024), unless anything else has been explicitly stated.

It should be noted that accounting estimates and assumptions have been used for the preparation hereof. Although they are based on the information available to the management as at the date of preparation of the financial statements, the actual results might differ from the estimates and assumptions made.

4.2. Presentation of the individual financial statements

These individual financial statements have been prepared in accordance with IAS 1 “Presentation of financial statements”. The company presents the statement of profit or loss and other comprehensive income in a single report.

Two comparative periods are presented in the statement of financial position. Where the Company applies the accounting policy retrospectively, it either translates the items in the financial statements retrospectively, or reclassifies items in the financial statements, which materially affects the data in the statement of financial position at the beginning of the previous period.

Whenever necessary, comparative data are reclassified to achieve comparability with any changes in the presentation for the current year.

4.3. Climate and sustainability issues

The consistent treatment of climate issues in the annual financial statements is a key element for reducing the risk of “green wash”. ITF Group JSC aims to generate long-term value by encouraging responsible financial behavior and practices. The company actively monitors the public impact of its business

operations and the interests and expectations of stakeholders, both clients and investors.

ITF Group is aware of the impact of its activities and responsibilities to clients, regulatory bodies, shareholders, employees, business partners and communities. The company operates and is guided by sustainability principles such as:

- High standards in complying with legal, ethical and economic principles;
- Defining social and ecological perspectives. ITF aims to balance economic success with ecological and social responsibility;
- Responsible lending forms the foundation of the company's business model. ITF encourages its clients to take the correct financial decisions. We work not only towards fair service for our clients, but also towards creating an overall culture of financial literacy on our market. At the same time, the Company offers a stable financial returnability for its investors, the ultimate goal being a considerable social and economic impact;
- ITF considers it very important to retain and develop its employees. The Company helps employees realize their full potential at every stage of their career by giving them opportunities for additional development tailored to their individual professional interests. ITF ensures an excellent working environment which additionally boosts employees' motivation, health, safety and welfare;
- ITF Group is transparent to direct and indirect effects on the environment, society and the economic sector within which it operates. Its listing on the BEAM segment at the Bulgarian Stock Exchange is a serious step towards establishing specific criteria concerning the functioning, transparency and accountability of the Company;
- Continued efforts on keeping high ecological standards in all company offices. Thanks to the high degree of digitalization, ITF Group is a considerably paper-free company. Many documents are created and stored online and are not printed out. The whole process of exchanging and signing of documents is electronic. Thus, we can optimize the electricity consumption and the use of consumables such as printer toner, plastic files, paper etc. Ecologic equilibrium is a clear aim for our company.

As at 31st December 2025 the Company has not identified significant risks caused by climate changes that could have a significant negative impact on the company's financial statements. The management continually monitors the influence of issues connected to the climate.

More information on continuity and climate issues could be found in point 6 of the Individual Annual report on the company's activities.

4.4. Transactions in foreign currencies

Foreign currency transactions are stated directly in the Company reporting currency by applying the BGN official exchange rate to the foreign currency amount applicable as at the time of transaction (the announced fixing of the Bulgarian National Bank). Profit and loss from currency exchange that are generated because of these transactions and the re-valuation of the monetary positions in foreign currency at the end of the reporting period are recognised in profit or loss.

Non-monetary reporting items that are assessed by historical price in foreign currency are stated by applying the exchange rate as at the date of the operation (they are not revaluated). Non-monetary positions that are assessed by fair value in a foreign currency are reported taking into consideration the exchange rate on the date on which the fair value has been defined.

The Bulgarian lev is fixed to the Euro at a rate 1 EUR = 1.95583 BGN.

4.5. Income from contracts with customers

The Company's major revenue is related to operations with financial assets. The revenue is measured at fair value of received or receivable consideration.

Revenue generated by the Company, other than that from financial instrument trading and non-financial service provision, is determined in accordance with the requirements of IFRS 15.

In order to determine whether and how to recognise revenue, the company uses the following five steps:

1. identification of the contract with a customer;
2. identification of the performance obligation;
3. determination of the transaction price;
4. allocation of the transaction price to the performance obligations;
5. recognition of revenue when the performance obligations are satisfied.

Revenue is recognised either at a point in time, or over time, when or until the Company satisfies the performance obligations by transferring the promised goods or services to its customers.

The company recognises as contractual liabilities any consideration received with regard to unsatisfied performance obligations and presents them as other liabilities in the statement of financial position. Analogically, if the company satisfies a performance obligation before receiving the consideration, in the statement of financial position it recognises either a contractual asset, or a receivable, depending on whether the receipt of such consideration requires anything else than time.

4.5.1. Revenue recognised over time

For separate sales of software that are neither customised by the Company, nor subject to significant integration services, the control transfers at the time in which the customer indisputably accepts the delivery of goods.

For sales of software that is neither customised by the Company, nor subject to significant integration services, the license term begins as at the time of delivery.

The Company states income from granting right of use of a software license (for indefinite time and a lump-sum payment) and upon recording it, it only identifies a performance obligation for delivery of a software license.

The Company reviews the nature of its promise to transfer the software license in accordance with paragraph B58 of IFRS 15. With the single transfer of software licenses, the Company is not committed to provide support or updates. The contractual relations do not give rise to additional contractual or implicit obligations for the Company, neither obligations to perform actions that change the functionality of the software with regard to the granted license. The transferred software license (the use of the software) remains functional, without updates and technical support, other than reference hardware service of workstations, and therefore the customer's ability to obtain the benefits of the software in substance neither originates from, nor depends on the Company's continuing activities. To this end, the Company determines that the contracts for sale of software neither require, nor the customer reasonably expects, the Company to carry out activities that have significant influence on the software.

Company services

The services provided by our Company include agent mediation, preferential services and other services.

The income is assessed based on the specific fee for each service. When specifying the price for the transaction the Company takes into consideration the contract terms and its usual commercial practices.

The price of the service delivery is the consideration amount that the Company expects to be entitled to in exchange for the transfer of the promised goods or services to the client with the exception of sums collected on behalf of third parties (for example VAT).

4.5.2. Income from interest, default charges, fees

Income from interest, default charges and fees is included in the statement of profit or loss and other comprehensive income (in profit or loss for the year) upon their occurrence.

Income from interest is stated on an ongoing basis using the effective interest rate method.

Income from default charges occurs in case of a customer's breach of the terms of the loan agreement signed thereby.

Income from fees comprises additional charges for out-of-court collection, fees connected to credit risk assessment and optional fees for services of the client's choice, which are not obligatory. The fees connected to risk assessment are part of APR.

4.6. Operative expenses

Operative expenses are recognized in the profit or loss when the service is used or on the date of their occurrence.

The following operative expenses are always stated as current expenses at the time of incurrence thereof:

- General and administrative expenses (unless covered by the customer);
- Expenses related to the fulfilment of the obligation;
- Expenses for which the company is not able to determine whether they are related to a satisfied or unsatisfied performance obligation.

4.7. Interest expenses and other financial expenses

Interest expenses are stated on an ongoing basis using the effective interest rate method.

Borrowing expenses mainly comprise the Company's interests for borrowings. Interest expenses should be recognised as an expense for the period of incurrence thereof in the statement of profit or loss or other comprehensive income on line "Interest expenses and other financial expenses" and consist of interests for borrowings, interests for bond issue and interest on continuing participation in financial instruments. Financial expenses are stated in the statement of profit or loss and other comprehensive income (in the profit or loss for the year) upon their occurrence and comprise: interest expenses, including bank fees and other direct costs for loans and bank guarantees, foreign exchange rate differences from foreign currency loans (net).

4.8. Plant and Equipment

Plant and equipment are stated at acquisition cost, less accumulated amortisation and impairment losses. The acquisition cost comprises expenses that meet the criteria for recognition of fixed tangible assets and directly refer to the acquisition of the asset.

Subsequent expenses are added to the carrying amount of the asset or are stated as a separate asset in case the Company expects to obtain future economic benefits related to the use of the asset and its book value may be reliably determined. The carrying amount of any replaced part is derecognised. All other expenses on maintenance and repair are recognised in the profit or loss for the period in which they have been incurred. The material threshold is BGN 700.

Amortisation of plant and equipment is charged based on the straight-linear method for the purposes of distributing the difference between the carrying amount and the residual value over the expected useful life of the assets as follows:

Office equipment	7 years;
Machinery and equipment	3 years;
Vehicles	5 years;
Computer equipment	2 years;

The residual value and useful life of assets is subject to review, and whenever necessary, the respective adjustments are made as at each date of preparation of the respective financial statements.

The carrying amount of the asset decreases to its recoverable amount where the carrying amount of the asset is higher than its expected recoverable amount. Gains and losses from decommissioned assets are determined by comparing the price received and their carrying amount in other losses/ gains – net, in the

income statement.

4.9. Long-term Intangible assets

Long-term intangible assets are measured at acquisition cost. After initial recognition, intangible assets are stated at acquisition cost less the accumulated amortisation and impairment losses.

The useful life of long-term intangible assets is determined as finite.

Intangible assets with finite useful life are amortised during their useful life and are tested for impairment whenever there are indications that their value is impaired. At least at the end of each financial year, the useful life of and the amortisation methods applied to any intangible asset with finite useful life is subject to review. Changes in expected useful life or the consumption model of future economic benefits of intangible assets are stated through change of the amortisation period or method and are treated as change in accounting estimates. Expenses for amortisation of intangible assets with finite useful life are classified by their function in the statement of profit or loss and other comprehensive income, depending on the use of the intangible asset.

Reference software	7 years;
Self-developed fixed intangible assets	6 to 10 years;

Research and development expenses for an intracompany project are recognised as cost at the time of incurrence.

Expenses that may be directly referred to the development phase of an intangible asset are capitalised if they meet the following criteria:

- The finalisation of the intangible asset is technically feasible so that it will become available for use or sale;
- The company intends to finalise the intangible asset and to use and/or sell it;
- The company is able to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Furthermore, there is a market for the production of the intangible asset or for the intangible asset itself, or if used in the Company's business, it would generate economic benefits;
- Adequate technical, financial and other resources are available for the completion of the research and development, and for the use or sale of the intangible asset;
- The intangible asset-related expenses during the phase of its development can be reliably measured.

The development expenses of intangible assets that do not meet the above capitalisation criteria are recognised at the time of incurrence.

Expenses that are directly related to the development phase of an intangible asset comprise costs for remuneration of specialists and hired services directly related to the creation of the respective intangible assets. Internally developed software products recognised as intangible assets are subsequently measured in the way of purchased intangible assets. Before the completion of the development project, the assets are tested for impairment.

Gains or losses generated upon derecognition of an intangible asset, being the difference between the net proceeds from the sale, if any, and the carrying amount of the asset, are stated in the profit or loss and other comprehensive income statement upon derecognition of the asset.

4.10. Lease

4.10.1. The Company as a lessee

For any new concluded contract, the Company judges whether a contract is or contains a lease. Lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration". In order to apply this definition, the company makes three major estimates:

- whether the contract contains an identified asset that is explicitly stated in the contract or is

- implicitly stated as at the time of conveying the asset for use;
- the Company is entitled to obtain substantially all economic benefits from the use of the asset during the whole period of use, within the specific scope of its right to use the asset in accordance with the contract;
- the Company has the right to direct the use of the identified asset during the whole period of use.

The company assesses whether it has the right to direct “how and for what purpose” the asset will be used during the whole period of use.

Measurement and recognition of lease by the Company as a lessee

On the initial date of the lease contract, the Company recognises the right-of-use asset and the liability connected to the lease in the statement of financial position. The right-of-use asset is measured at acquisition cost that comprises the amount of initial measurement of the lease liability, the initial direct expenses incurred by the Company, an estimate of the expenses that the lessee will incur for dismantling and removal of the underlying asset at the end of the lease contract, and any lease payments made before the commencement date of the lease contract (less lease incentives).

The Company amortises the right-of-use asset by the straight-linear method from the commencement date of the lease until the earlier of the end of the right-of-use asset's useful life, or the expiration of the term of the lease contract. Furthermore, the company reviews right-of-use assets for impairment where such indications exist.

On the commencement date of the lease contract, the Company measures the lease liability at present value of the lease payments that are outstanding as at such date discounted with the interest rate set out in the lease contract, if such rate is directly identifiable, or with the Company's differential interest rate.

In order to determine the differential interest rate for leased offices, the Company:

- to determine the incremental borrowing rate, the Company has used a methodology for determining the synthetic rate of a company based on the methods of established names in the valuation theory. The establishment of a certain synthetic rate is done based on interest coverage ratio (ICR), which is a main indicator for most credit agencies. For the purposes of assessment, the yield of Bulgarian long-term ten-year government securities is used as a market interest rate. Their yield is additionally defined by the overall interest rate in the EU zone. The rate calculated as at the date of the financial statements, according to the assessment of the Management, incl. on the basis of interest rates for the company's attracted financial resources, amounts to 6% (2024: 6%)

In order to determine the differential interest rate for leased vehicles, the Company uses:

- the differential interest rate of the lessor applicable to similar assets (according to financial lease contracts that the company is lessee to, the rate is 3%).

Lease payments included in the measurement of the lease liability comprise fixed payments (including substantially fixed ones), variable payments based on an index or rate, amounts that are expected to be payable by the lessee under the guarantees for residual value, and payments resulting from options, if it's certain enough that the Company would exercise such options. Case-by-case approach is applied based on concluded contracts.

After the initial date, the lease liability is decreased by the amount of settled payments and increased by the interest amount. The lease liability is revaluated to take into account the revaluations or amendments to the lease contract, or to reflect the adjusted substantially fixed lease payments.

In case the lease liability is revaluated, the respective adjustment is reflected in the right-of-use asset or is recognised in profit or loss, if the right-of-use asset's carrying amount has been decreased to zero.

The Company has chosen to state short-term lease contracts and the lease of assets of low value by using the practical exemptions set out in the standard. Instead of recognition of right-of-use assets and liabilities

under lease contracts, the related payments are stated as expense in profit or loss by the straight-linear method during the lease term.

In the individual statement of financial position, right-of-use assets are stated on a separate line, depending on their term, and the lease liabilities are included in non-current and current lease liabilities under lease contracts.

The company is lessee to short-term contracts for the lease of office equipment and parking spaces.

Options for renewal and termination are included in a number of property leases of the Company. They are used to increase the operational flexibility with regard to the management of assets used in the company's operations. The options for renewal and termination available are taken into account for every contract.

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

The company is lessee to two contracts for finance lease on motor vehicles used in its operations.

4.10.2. The Company as a lessor

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

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

Assets under operating lease contracts are stated in the Company's individual statement of financial position and are amortised in accordance with the amortisation policy adopted for similar Company assets and with the requirements of IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets. Rent income is recognised on a straight-linear basis for the term of validity of the lease contract.

Assets under finance lease contracts are stated in the Company's individual statement of financial position as a receivable equal to the net investment in the lease contract. The income from the sale of assets is stated in the individual statement of profit or loss and other comprehensive income for the respective period. The recognition of financial revenue is based on a model that reflects a permanent periodic rate of return on the residual net investment.

During the two stated periods, the Company is not a party to lease contracts as a lessor.

4.11. Investments in subsidiaries and associates

Subsidiaries are all entities that are under the control of the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's individual financial statements, investments in subsidiaries are reported at cost.

The Company recognizes dividend income from a subsidiary in profit or loss in its individual financial statements when the right to receive the dividend is established.

Associates are those entities over which the Company has the ability to exercise significant influence but which are neither subsidiaries nor jointly controlled entities. Investments in associates are reported at cost.

The Company recognizes a dividend from an associate in profit or loss in its individual financial statements when its right to receive the dividend is established.

4.12. Tests for impairment of intangible assets, plant and equipment

When calculating the amount of impairment, the Company defines the smallest identifiable group of assets for which separate cash flows may be defined (cash flow generating unit). Therefore, some of the assets are subject to an impairment test on an individual basis, and others – based on cash flow generating unit.

All assets and cash flow generating units are subject to an impairment test at least once a year. All other individual assets or cash flow generating units are tested for impairment whenever any events or changed circumstances indicate that their carrying amount may not be recovered.

An amount with which the carrying amount of an asset or a cash flow generating unit exceeds their recoverable amount, being the higher between the fair value less the asset's sales costs, and its value in use, is recognised as an impairment loss. In order to measure the value in use, the management of the Company calculates the expected future cash flows for each cash flow generating unit and determines the appropriate discount rate in order to calculate the present value of these cash flows. The data used for the impairment test are based on the last approved budget of the Company adjusted, if necessary, for the purposes of eliminating the effect of future reorganisations and significant improvements of assets. The discount rates are determined for each cash flow generating unit and reflect its risk profile assessed by the management of the Company. At management's discretion, the valuation of internally acquired intangible assets is assigned to a properly qualified licensed valuer.

Impairment losses of a cash flow generating unit are stated as a decrease of the carrying amount of assets from these units. In terms of all assets of the Company, the management subsequently estimates whether indications exist that the impairment loss recognised during previous years does not yet exist or has decreased. Impairment recognised in a previous period is recovered if the recoverable value of the cash flow generating unit exceeds its carrying amount.

4.13. Financial instruments

4.13.1. Recognition, measurement and derecognition

The Company recognises a financial asset or financial liability in its financial statements only when it becomes a party to the contractual covenants of the respective financial instrument.

Upon initial recognition, the company measures financial assets (other than accounts receivable that do not have a material funding component determined in accordance with IFRS 15) and financial liabilities at their fair value.

Upon initial recognition, the fair value of a financial asset/liability is usually the contractual price. The contractual price of financial assets/liabilities, other than financial assets measured at fair value through profit or loss, comprises transaction costs directly related to the acquisition/issuing of the financial instrument. Transaction costs incurred upon the acquisition of a financial asset and the issuing of a financial liability measured at fair value through profit or loss are immediately stated as an expense.

If upon initial recognition, the fair value differs from the transaction price, the Company accounts for this instrument as at such date in the following way:

- a) at fair value based on a proven quoted price on an active market for an identical asset or liability (i.e. level 1 input), or based on an evaluation technique that uses data from observable markets only. The Company recognises the difference between the fair value at initial recognition and the transaction price as profit or loss;
- b) in all other cases – at fair value adjusted to defer the difference between the fair value on initial recognition and the transaction price. After initial recognition, the Company recognises this deferred difference as profit or loss only to the extent it has resulted from the change of a given factor (including time) that market participants would take into account when determining the price of the asset or liability.

Upon initial recognition, the company measures account receivables that do not have a material funding

component (determined in accordance with IFRS 15) at their respective transaction price (as set out in IFRS 15).

The purchase or sale of financial assets is recognised by using transaction date-based accounting – the date on which the Company has made a commitment to purchase the respective financial assets.

Financial assets are derecognised from the Company's statement of financial position when the rights to obtain cash from such assets have expired, or have been transferred, and the Company has transferred the material portion of the risks and benefits from the ownership of the asset to another company (person). In case the Company continues holding a material part of the risks and benefits associated with the ownership of a transferred financial asset, it continues recognising the asset in its statement of financial position; however, it further recognises a secured obligation (loan) for the received funds.

Upon derecognition of a financial asset as a whole, the difference between the carrying amount as at the date of derecognition and the received consideration is recognised in profit or loss.

A financial instrument (asset or liability) is derecognised on the date on which the Company does not anymore control the contractual rights and has substantially transferred the risks from the ownership of the asset. This happens when the rights have been realised, their validity has expired or they have been redeemed.

4.13.2. Classification and subsequent measurement

Financial assets

Financial assets are classified on the date of their initial recognition in the statement of financial position. Depending on the method of subsequent reporting, financial assets are classified in one of the following categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through profit or loss;
- financial assets measured at fair value through other comprehensive income, with or without reclassification in profit or loss, depending on whether these are debt or equity instruments.

The Company classifies financial assets as subsequently measured at amortised cost in accordance with the following two conditions:

- a) the business model for the company's financial asset management; and
- b) the features of the contractual cash flows of the financial asset.

Financial assets measured at amortized cost

This category includes receivables from loans, cash and other debt instruments for which the following two conditions are met:

- (a) the financial asset is held within a business model the objective of which is to hold the assets to collect contractual cash flows; and
- (b) under the contractual terms of the financial asset, cash flows arise on specific dates that are solely payments of principal and interest on the outstanding principal amount.

This category includes non-derivative financial assets that are not quoted in an active market. After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is not performed when the effect of discounting is immaterial.

The amortized cost of a financial asset or liability is the amount at which the asset or liability was measured at initial recognition, less any principal repayments made, plus or minus the cumulative amortization of any differences between the amount at initial recognition and that payable at maturity, calculated using the effective interest method, and less any adjustment arising from expected credit losses or impairment.

- **Accounts receivables**

Accounts receivables are amounts payable by customers under service contracts incurred in the usual course of business. Usually they should be settled short-term and are classified as current. Accounts receivables are initially recognised in the amount of unconditional consideration, unless they comprise material funding components. The company holds its accounts receivables for the purposes of collecting contractual cash flows and therefore measures them at amortised cost by using the effective interest method. No discount is made when its effect is minor.

4.13.3. Expected credit losses

Credit losses are the difference between all contractual cash flows the Company is entitled to and all cash flows that the Company expects to receive. The expected credit losses are a probable calculated estimate of the credit losses that require measurement by the Company.

The Company recognizes the sum of expected credit losses (or their reverse manifestation) in profit or loss as income or expense from impairment. They are required in order to correct the impairment corrective as at the date of the financial statements to the value defined as the impairment amount.

On each reporting date, the company measures and determines the expected credit losses for each type of financial asset or exposure. The adopted impairment approaches aim to recognise expected credit losses for the entire term of all financial instruments whose credit risk has significantly increased after the initial recognition – whether measured individually or collectively, by taking into account the entire reasonable and substantiated information, including for future periods. During the review, the company takes into account the change in the risk of occurrence of default during the expected term of the financial instrument, and the change in the amount of expected credit losses in case of default. For the purposes of this review, the Company compares the risk of occurrence of default and potential loss with regard to the financial instrument as at the reporting date and on the date of initial recognition.

When applying this future-oriented approach, we differentiate between:

- financial instruments whose credit quality has not deteriorated significantly since initial recognition or have low credit risk (Stage 1) and
- financial instruments whose credit quality has deteriorated significantly since initial recognition or whose credit risk is not low (Stage 2)
- “Stage 3” comprises financial assets for which objective evidence for impairment as at the reporting date exists.

12-month expected credit losses are recognised as the first stage, while expected losses for the full lifetime of financial instruments are recognised as the second and third stage.

For the purposes of implementing the requirements for application of the expected credit loss model of financial assets in accordance with IFRS 9, a policy for application of IFRS 9 is implemented. The policy sets out the framework for determining:

- 12-month expected credit losses or full lifetime expected credit losses of the instrument.
- Expected credit losses (ECL) are recognised on the probability of default during the instrument’s full lifetime, unless the credit risk has changed significantly after the initial recognition, in which case 12-month expected credit losses are reported. 12-month expected credit losses are that portion of the credit losses for the instrument’s full lifetime because of default, which could occur within 12 months after the reporting date.

4.13.3.1. Approach and models for impairment of financial assets – on collective and individual basis

The parameters affecting the amount of expected credit losses (ECL) are determined collectively, depending on the type and nature of the financial instruments under review. Expected credit losses for loans grouped in common product feature-based portfolios are reviewed collectively. The collective approach applies to exposures with risk classification in stage 1, 2 and 3.

Company receivables on loans granted to other companies are reviewed individually with regard to past events of default. The calculations of expected credit loss done by the Company consist of:

- an evaluation of the financial instrument (discounted cash flows, etc.);
- an analysis and evaluation of the solvency of the partner companies.

We use an approach of analysis and evaluation of receivables based on solvency and assigned credit rating of the counterparty debtor, reaching a qualitative evaluation for the correction of the receivable (the expected credit loss) on the basis of assigned credit rating and the respective rebate using the statistics of international rating agencies. The credit rating is compared to the international statistics for the probability of occurrence of adverse events and the probability of forming credit losses.

4.13.3.2. Criteria for assessing increased credit risk

For the purpose of determining the allowance for expected credit losses, the Company compares the levels of credit risk, i.e. the probability of default occurring at the reporting date and at the date of initial recognition of the asset. In the case of credit commitments, the assessment refers to the probability of default occurring on the loan to which they relate. The analysis of changes is performed on the basis of available relevant information that is accessible to the Company and that can be substantiated without undue resource and effort. This information includes:

- historical data on the performance of certain financial instruments or other financial instruments with similar risk characteristics;
- data on the current performance of the instruments under consideration – allowed number of days in arrears;
- reasonable assumptions and expectations that are expected to affect the credit risk of the assets in question in the future;
- appropriate risk classification, according to the credit quality of the financial assets.

The analysis of changes in the credit quality of financial assets since their initial recognition determines their risk classification in three main phases, as well as subsequent recognition of impairment:

- Stage 1 (regular exposures) – financial assets are classified without an indication of an increase in credit risk compared to the initial assessment. The Company recognizes 12-month ECL for financial assets classified in Stage 1. Interest income is recognized using the effective interest method on the gross carrying amount of the instrument.
- Stage 2 (impaired exposures) – financial assets with a significant increase in credit risk are classified, but without objective evidence of impairment/grounds for incurring losses (the exposure is not in default). The Company recognizes the ECL for the entire life of the instrument when classified in Stage 2. Interest income is recognized using the effective interest method on the gross carrying amount of the instrument.
- Stage 2 (impaired exposures) – financial assets with a significant increase in credit risk are classified, but without objective evidence of impairment/grounds for incurring losses (the exposure is not in default). The Company recognizes the ECL for the entire life of the instrument when classified in Stage 2. Interest income is recognized using the effective interest method on the gross carrying amount of the instrument.

For the purposes of determining expected credit losses and the company's risk management methods, exposures classified as non-performing (stage 3) are divided into several subcategories depending on the days past due, historical experience and expectations for the collection of these receivables to be carried out within an extended period.

4.13.3.3. Determination and modeling of risk parameters

The main risk parameters influencing the size of the ECL are:

- Probability of Default (PD) - The probability that a counterparty will fail to meet the contractual provisions related to debt repayment. For each individual portfolio of collectively assessed exposures, the Company maintains historical information on the migration of exposures from Stage 1 / Stage 2 to Stage 3 ("default"). The value of 12-month PD is determined based on the observed rates of deterioration and is

calculated as a moving average for a 24-month period preceding the quarter at the end of which the expected credit loss is calculated. The Company applies a basic macro-neutral scenario when determining the PD parameter used in calculating the amount of expected credit losses in relation to credit exposures, due to the lack of significant statistical significance between default rates and changes in macroeconomic indicators in the country. The quantitative element is calculated based on the change in PD over the entire life of the asset based on customer behavior. At the portfolio level, comparisons are made regarding the current PD until the end of the asset's term as of the reporting date. By decision, the Company may worsen (increase) the calculated indicators in the PD parameter, through the so-called Management overlay, by adding parameters to adjust exposures that are very likely to change the default curves for given portfolios of credit exposures.

- Exposure at Default (EAD) – the potential amount of exposure at the time of default. The amount of exposure at default is determined depending on the type of loan.

- Loss Given Default (LGD) – ratio of loss on an exposure due to counterparty default to the amount of exposure at default. To determine the LGD parameter, the Company calculates the potential loss that would occur if an exposure were to default. The loss is determined by measuring the monetary value of the funds collected on loans that have defaulted.

The LGD parameter is determined individually for each category in the loan portfolio, in accordance with the characteristics of the assets and the risk characteristics applied in the segmentation. The LGD value is determined based on the actual collection of loans by segment, modeled by a moving average for a 24-month period preceding the quarter at the end of which the expected credit loss is calculated. The Company applies a macro-neutral scenario in determining the LGD parameter due to the lack of collateralization of the loans and the lack of significant statistical significance of the relationship between the actual rates and the default rates and changes in the macroeconomic indicators in the country.

4.13.3.4. Methods for calculating and presenting expected credit losses by type of financial asset

The estimate of expected credit losses is an average value weighted for the probability of default over the life of the instrument by assessing the range of possible outcomes. Credit losses represent the present value of the difference between the cash flows due under the contract and the cash flows that the Company actually expects to receive, taking into account the amounts and the time when it expects to receive them. For the purpose of determining expected credit losses, the difference between contractual and expected cash flows is discounted at the original effective interest rate of the transaction or the credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets. The change in the loss allowance is recognized as a result of impairment in profit or loss for the period.

For financial assets measured at amortized cost, the accumulated adjustment reduces the carrying amount of the instrument in the statement of financial position.

4.13.4. Modified financial assets

If the contractual cash flows of a financial asset have been renegotiated or modified and the financial asset has not been derecognized, the company assesses whether there has been a significant increase in the credit risk of the financial instrument by comparing:

- (a) the risk of default occurring at the reporting date (based on the modified contractual terms); and
- (b) the risk of default occurring at the date of initial recognition (based on the original, unmodified contractual terms).

4.13.5. Financial liabilities

Financial liabilities include loans (credits), including bonds, payables to suppliers and other counterparties. They are initially recognized in the balance sheet at fair value, net of direct transaction costs, and subsequently at amortized cost using the effective interest method. Items classified as accounts and other payables are usually not measured again, as payables are known to a high degree of certainty and their settlement is short-term.

4.14. Cash and cash equivalents

Cash and cash equivalents include cash on hand and current accounts in banks. The company's cash is accumulated in banks with a good credit rating.

For the purposes of preparing the cash flow statement:

- cash receipts from customers and cash payments to suppliers are presented gross, including VAT;
- VAT paid on purchases of fixed assets is reported as “cash flows related to fixed assets” to cash flows from investing activities;
- cash flows on Peer to Peer platforms are presented net.

4.15. Retirement and other employee benefits under the social security and labour legislation

Labor and social security relations with employees at ITF GROUP JSC are based on the provisions of the Labor Code and the provisions of the current social security legislation in the Republic of Bulgaria.

The company does not have an established and functioning private voluntary social security fund.

Short-term benefits

Short-term employee benefits in the form of wages, bonuses and social security contributions and benefits (required within 12 months after the end of the period in which the employee has rendered services for them or fulfilled the necessary conditions) are recognized as an expense in the statement of profit or loss and other comprehensive income (in profit or loss for the year) during the period of service or meeting the requirements for their receipt, and as a current liability (after deducting all amounts already paid and applicable deductions) in their non-discounted amount. Social and health insurance contributions due by the company are recognized as a current expense and liability in the undiscounted amount, together with and in the period in which the relevant income to which they relate is accrued.

At the date of each financial statement, the company makes an estimate of the amount of the expected cost of accrued compensatory leave that is expected to be paid as a result of the unused accrued leave entitlement. The estimate includes an estimate of the cost of the remuneration itself and the cost of compulsory social and health insurance contributions that the employer owes on these amounts.

Long-term benefits upon retirement

According to the Labor Code, the company, in its capacity as an employer in Bulgaria, is obliged to pay employees compensation upon reaching pension age, which, depending on the length of service in the company, may vary between 2 and 6 gross salaries as of the date of termination of the employment relationship.

The Company has assessed the pension obligations to the personnel in accordance with the requirements of IAS 19 “Employee Benefits” based on projected payments for the next five years, discounted at the current time with a long-term interest rate of risk-free securities. Since the amount is immaterial for the purposes of the financial statements as a whole (less than 0.1% of the liabilities) and due to the great uncertainty of the estimate of the turnover rate, the level of future remuneration, mortality and the discount factor, the Company believes that there are enough grounds for not including the above payables.

Benefits upon Dismissal

According to the local provisions of labor and social security legislation in Bulgaria, the company as the employer has an obligation to pay certain types of benefits upon termination of an employment contract before retirement.

4.16. Equity and reserves

The Company's share capital reflects the nominal value of the issued shares.

ITF GROUP JSC is a joint stock company registered in the register of the Bulgarian National Bank (BNB)

as a non-banking financial institution. As at 31st December 2025, the Company's capital amounts to BGN 3 500 thousand and meets the requirements of Ordinance No 26 of BNB.

The statutory reserves are formed in accordance with the requirements of the Commerce Act and the Company's Articles of Association. The statutory reserves can be used only for covering the annual loss and losses from previous years. When the fund reaches the minimum amount as set out in the Articles of Association, the surplus may be used for capital increase.

Retained earnings include the current financial result and accumulated profits and uncovered losses from previous years.

Dividend payables to shareholders are stated on line "Payables to related parties" in the individual statement of financial position. Dividends are paid when they have been approved for distribution by the General assembly of shareholders before the end of the reporting period.

All transactions with the Company's owners are presented separately in the statement of changes in equity.

4.17. Income taxes

Tax expense recognized in profit or loss includes the amount of deferred and current taxes that are not recognized in other comprehensive income or directly in equity.

Current tax assets and/or liabilities represent the liabilities to or receivables from tax authorities relating to current or prior reporting periods that have not been paid at the date of the financial statements. Current tax is payable on taxable income, which differs from the profit or loss in the financial statements. The calculation of current tax is based on tax rates and tax laws that are effective as at the end of the reporting period.

Deferred taxes are calculated using the liability method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided upon initial recognition of an asset or liability unless the related transaction affects taxable or accounting profit.

Deferred tax assets and liabilities are not discounted. They are calculated using tax rates that are expected to apply to the period in which they are realised, provided the rates have become effective or would surely become effective at the end of the reporting period.

Deferred tax liabilities are recognized in full.

Deferred tax assets are recognized only if it is probable that future taxable profits will be available against the deferred tax assets. The management's estimate for the probability of occurrence of future taxable income through which deferred tax assets could be utilized is summarised in annex No 14.19.2.

Deferred tax assets and liabilities are offset only when the Company has the right and intention to offset current tax assets or liabilities from the same tax authority.

The change in deferred tax assets or liabilities is recognized as a component of tax income or expense in profit or loss, unless they are related to items recognized in other comprehensive income or directly in equity, in which case the related deferred tax is recognized in other comprehensive income or equity.

According to Art. 96, para. 1 of the Corporate Income Tax Act (CITA) the income and expenses from subsequent valuations of financial assets and liabilities reported by financial institutions are recognized for tax purposes in the year of their reporting. Financial institutions do not apply Art. 34, 35 and 37 of the CITA in relation to financial assets and liabilities. Therefore, the Company does not recognize deferred taxes in connection to impairment of receivables.

4.18. Provisions, contingent liabilities and contingent assets

Provisions are recognized when it is probable that a present obligation will result in an outflow of resources from the Company as a result of a past event and a reliable estimate can be made about the amount of the obligation. The timing or amount of the cash outflow may be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a result of past events, for example, guarantees, legal disputes or encumbering contracts. Provisions for restructuring are recognized only if a detailed formal restructuring plan has been developed and implemented or management has announced the main points of the restructuring plan to those who would be affected. Provisions for future operating losses are not recognized.

The amount recognised as a provision is calculated based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the present obligation. When there are a number of similar obligations, the probable outflow required to settle the obligation is determined by considering the group of obligations as a whole. Provisions are discounted when the effect of time differences in the value of money is significant.

Compensation from third parties in connection with a given obligation that the Company is certain to receive is recognized as a separate asset. This asset may not exceed the value of the related provision.

Provisions are reviewed at the end of each reporting period and their value is adjusted to reflect the best estimate.

In cases where it is considered unlikely that an outflow of economic resources will occur as a result of a present obligation, a liability is not recognized. Contingent liabilities should be measured subsequently at the higher of the comparable provision described above and the amount initially recognized, less accumulated amortization.

Probable inflows of economic benefits that do not yet meet the criteria for asset recognition are considered contingent assets. They are described together with the Company's contingent liabilities in the notes to the financial statements, annex 40 Contingent assets and contingent liabilities.

4.19. Significant management judgments in applying accounting policies

The significant judgments made by management in applying the Company's accounting policies that have the most significant impact on the financial statements are described below. The principal sources of uncertainty in the use of accounting estimates are described in Note 4.20.

4.19.1. internally -developed intangible assets and research and development costs

The management controls internal development projects by using a project management system. Development costs are recognized as an asset when they meet all criteria, while research and development costs are recognized when incurred.

To distinguish the research and development phase of a project from the development phase, the Company's accounting policy requires a detailed forecast of the sales or cost reductions expected to be realized from the intangible asset. The forecast is included in the general budget forecast when the capitalization of development costs begins. This ensures that management accounting, impairment tests and accounting of self-developed intangible assets are based on the same data.

The Company's management also monitors whether development costs continue to meet the recognition criteria. This is necessary since the successful market realisation of the developed product is uncertain and may be subject to future technical issues after the time of recognition.

4.19.2. Deferred tax assets

The assessment of the probability of future taxable income for the utilization of deferred tax assets is based on the latest approved budget forecast, adjusted for significant non-taxable income and expenses and specific restrictions on the carryforward of unused tax losses or credits. Tax regulations in the various

jurisdictions in which the Company operates are also taken into account. If a reliable estimate of taxable income suggests the probable utilization of a deferred tax asset, especially in cases where the asset can be utilized without time limit, then the deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic restrictions or uncertainties is assessed by management on a case-by-case basis based on the specific facts and circumstances.

The company is not within the scope of companies liable for the additional corporate tax under the new rules, according to the Model Rules for the Second Pillar.

4.19.3. Debt instruments measured at amortized cost

The analysis and intentions of the management are verified by the business model of holding debt instruments that meet the requirements for receiving principal and interest payments only and holding assets until collection of the contractual cash flows that are classified as debt instruments measured at amortised cost. This decision takes into consideration the current liquidity and equity of the Company.

4.19.4. Review of the useful life of intangible assets, plant and equipment

No changes have been made to the useful lives of property, plant and equipment and intangible assets during the current financial year.

4.19.5. Term of lease contracts

In determining the term of leases, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are included in the lease term only if it is reasonably certain that the lease will be extended (or not terminated).

For office lease, the following factors are usually most relevant:

- significant penalties for termination (or non-renewal), the company is usually certain to extend (or not terminate);
- if leasehold improvements are expected to have significant residual value, the company will generally be reasonably certain to extend the term of the contract (or not terminate);
- in other cases, the Company reviews other factors, including the historical lease term and the costs and changes in business required to replace the leased asset.

Options for renewal of office and vehicle lease contracts, if provided for in the contracts, are not included in the lease liabilities. The Company reviews each contract individually, depending on the needs of the economic activity.

The lease term is reviewed if the option has been actually exercised (or not exercised), or the Company is obliged to exercise (or not exercise) it. The estimate of reasonable certainty is reviewed only upon the occurrence of a significant event or a significant change of circumstances, which affect the estimate and this is within the lessee's control.

4.20. Uncertainty of accounting estimates

In preparing the financial statements, management makes a number of assumptions, estimates and judgments regarding the recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the management's assumptions, estimates and judgments and in rare cases are fully consistent with previously estimated results.

Information regarding the significant assumptions, estimates and judgments that have the most significant impact on the recognition and measurement of assets, liabilities, income and expenses is presented below.

4.20.1. Impairment of non-financial assets

The amount with which the carrying amount of an asset or a cash-generating unit exceeds their recoverable amount, which is the higher of the fair value less the costs for sale of an asset, and its value in use, is recognised as an impairment loss. In order to determine the value in use, the Company's management

calculates the expected future cash flows for each cash-generating unit and determines the appropriate discount factor for the purposes of calculating the present value of these cash flows. When calculating the expected future cash flows, the management makes assumptions with regard to future gross profits. These assumptions refer to future events and circumstances. The actual results might differ and require significant adjustments to the Company's assets during the next reporting year.

In most cases, the determination of the applicable discount factor involves an assessment of appropriate adjustments for market risk and risk factors that are specific to individual assets.

During the reporting periods presented, the Company has not identified any indications of impairment of non-current assets to their recoverable amount.

During the reporting period in question, the management has hired a licenced valuer with appropriate qualifications to make an estimate on fair value of the impairment of internally acquired long-term intangible assets. The management's judgment is that there are no indications for impairment of these assets.

4.20.2. Useful life of depreciable assets

Management reviews the useful lives of depreciable assets at the end of each reporting period.

Towards 31 December 2025 Management determines the useful life of assets, which is the expected period of use of the assets by the Company. The actual useful life may differ from the estimate due to technical and moral wear and tear, mainly for software products and computer equipment.

4.20.3. Determination of expected credit losses

At every reporting date, the Company reviews and determines the expected credit losses of granted loans, cash and other debt instruments by taking into account the entire reasonable and substantiated information, including for future periods. During the review, the Company takes into account the change in risk of occurrence of default during the expected life of the financial instrument and this review is largely based on forecasts, estimates and previous experience, as well as specific, operational and other individual characteristics. Loss at default is calculated on the basis of monthly periods in order to take into account the fact that loans at different stages of service delay have different collection rates. The calculated probabilities of default and losses at default are applied to each loan and the resultative assessments are discounted as at the date of the portfolio review. Discounts are made in case of expected loss at the end of the maximum period of default. The sum of these discounted values gives the expected credit loss of the portfolio.

4.20.4. Lease contracts - determining the appropriate discount rate for valuing lease obligations

When it is difficult for the Company to determine the interest rate included in the lease contracts, it uses the interest rate which the Company will pay when it takes a loan for a similar term and with similar collateral in order to furnish the resources for acquiring an asset of a similar value and characteristics as the right-of-use asset in a similar economic environment. Consequently, the used interest rate reflects what the Company "will pay", which requires an estimate when there are no observable interest rates available or when they need to be corrected in order to reflect the term and conditions of the lease contract.

4.20.5. Employee benefits upon leaving the Company

The company has measured employee benefits upon retirement in accordance with the requirements of IAS 19 Employee benefits. This evaluation requires making assumptions about the rate of discount, the future increase of wages and salaries, staff turnover and mortality rates. Due to the long-term nature of employee benefits upon retirement, these assumptions are subject to significant uncertainty.

4.20.6. Fair value measurement

The fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an ordinary transaction between independent market participants on the measurement date. The fair value is an outgoing price and is based on the assumption that the sales operation would be realised either on the main market for this asset or liability, or if no such market exists – on the most advantageous market for the asset or liability. Both the determined main market and the most advantageous market are markets that are always accessible for the Company.

Fair value measurement is done from the perspective of assumptions and estimates that potential market participants would make when they determine the price of the respective asset or liability, while assuming that they would act for achieving the highest economic benefit from it for themselves.

During the periods presented, the Company used a fair value assessment by a licensed appraiser for the purposes of the impairment test of internally acquired intangible assets.

4.20.7. Uncertainty in determining the Company's corporate tax obligations and uncertain contingent tax liabilities

The company's management has assessed whether it is likely that the tax authority would accept an uncertain tax treatment. In its activities, the company has taken into account the tax practice and the probable tax treatment, and therefore the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rate, correspond to the used and expected treatment that will be used when declaring income taxes.

4.20.8. Climate-related issues

The long-term effects of climate change on financial statements are difficult to predict and require businesses to make significant assumptions and develop estimates.

Risks arising from climate change may have future adverse effects on the Company's business activities. These risks may include risks related to regulatory changes as well as physical risks. Management continuously assesses the impact of climate-related issues and believes that as of December 31, 2025, there are no significant risks arising from climate change that could have a negative and material impact on the Company's financial statements. ITF's strategy to reduce the environmental footprint of its operations is the digitalization of all stages of operations.

5. INCOME FROM FINANCIAL ASSETS

The reported revenues as of December 31, 2025 are formed from interest income on loans granted, fee income, and penalty income, divided into the following groups:

	2025	2024
	KBGN	KBGN
Interest income on loans to borrowers	9 637	5 614
Fees	8 229	4 579
Penalties and other fees related to contracts with borrowers	13 457	14 577
	31 323	24 770

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025	2024
	KBGN	KBGN
Revenue from services	4 151	1 475

The revenue from services provided by the Company includes revenue for: agency mediation, preferential service and other services.

The revenue is measured based on the fee charged for each service. The amount of each fee is noted in the official tariff published on the company's official website.

The revenue recognized during the year by type of service are:

Income from agent commissions	4 105	1 205
Revenue from other services	46	270

7. OTHER INCOME

	2025	2024
	KBGN	KBGN
Other income related to automated transaction processes	92	91
Other income	14	-
Subsidies on electricity	2	1
Total other income	108	92

8. INVENTORY*Inventory costs include:*

	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Consumables and stationery	(19)	(33)
Fuel	(3)	(4)
<i>Inventory</i>	<u>(22)</u>	<u>(37)</u>

9. HIRED SERVICES*Expenses for hires services include:*

	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Advertising costs	(762)	(780)
Legal and other consulting services	(409)	(304)
Technical support	(230)	(237)
Accounting services	(301)	(203)
Telephones and internet communication	(159)	(139)
Other services	(126)	(75)
Overhead maintenance	(85)	(78)
Short-term, variable lease costs	(62)	(61)
Audit	(22)	(14)
Sales commissions	(89)	(52)
<i>External service costs</i>	<u>(2 245)</u>	<u>(1 943)</u>

Short-term variable lease costs include:

	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Office equipment rental	(30)	(41)
Short-term parking space rental	(32)	(20)
<i>Total</i>	<u>(62)</u>	<u>(61)</u>

The fee for the independent financial audit for 2025 is in the amount of BGN 22 thousand, incl. VAT. During the year, no services other than the mandatory financial audit were provided by the registered auditor. This disclosure is in compliance with the requirements of Art. 30 of the Accountancy Act.

10. EMPLOYEE BENEFIT EXPENSES*Employee benefit expenses include:*

	2025	2024
	KBGN	KBGN
Remuneration expenses	(4 543)	(3 783)
Social security contributions	(491)	(443)
	(5 034)	(4 226)

11. OTHER OPERATING EXPENSES*Other operating expenses include:*

	2025	2024
	KBGN	KBGN
Out-of-court fees, court fees and other collection costs	(927)	(633)
Fees Peer to peer platforms	(541)	(409)
VAT related to supplies under Art. 84 of the VAT Act	(299)	(286)
Other costs related to borrowers	(570)	(485)
Other expenses	(306)	(161)
Taxes, interest on late payments	(198)	(200)
Bank fees and commissions	(119)	(118)
National Social Security Institute and BNB fees	(140)	(117)
Bond issue costs	(80)	(136)
Awards and campaigns	(14)	(57)
Subscriptions and other services	(32)	(100)
Occupational medicine and insurance	(6)	(4)
	(3 232)	(2 706)

12. EXPENSES FOR EXPECTED CREDIT LOSS OF GRANTED LOANS, NET

During the current period, expenses for expected credit loss on receivables in the amount of KBGN 11 857, (2024: KBGN 8 964) representing impairment of receivables on overdue loans, in accordance with the adopted company policy.

	2025	2024
	KBGN	KBGN
Impairment for the period	(11 857)	(8 964)
	(11 857)	(8 964)

13. INTEREST EXPENSES AND OTHER FINANCIAL EXPENSES

	2025	2024
	KBGN	KBGN
Interest expenses	(4 695)	(2 770)
Foreign exchange transaction costs	(27)	(20)
	(4 722)	(2 790)

14. (EXPENSE)/INCOME IN CONNECTION TO INCOME TAX

2025	2024
-------------	-------------

	<i>KBGN</i>	<i>KBGN</i>
Tax (loss) / profit for the year	6 559	4 366
Current expense for profit tax for the year	(656)	(436)
Change in deferred income related to the occurrence and reversal of temporary differences		2
Total income from /(expense on) income tax	(656)	(434)

Reconciliation of income tax expense determined against the accounting result

	<i>31 Dec 25</i>	<i>31 Dec 24</i>
	<i>KBGN</i>	<i>KBGN</i>
Annual accounting profit	6 114	4 020
Expense on profit tax - 10% (2025: 10%)	(611)	(402)
Tax expense from unrecognized amounts on tax return:		
• increase	(150)	(139)
• decrease	105	104
change	(45)	(35)
Income from / (Expense on) tax include:		
• current tax	(656)	(437)
• deferred tax expense/ income from the occurrence and reversal of temporary differences	-	3
Total economy /(expense) on profit tax, in the Statement of profit or loss and other comprehensive income	(656)	(434)

15. INTANGIBLE ASSETS, PLANT AND EQUIPMENT*Intangible assets, plant and equipment* include

2025	Software products and other intangible assets <i>KBGN</i>	Computer equipment <i>KBGN</i>	Fixtures and fittings <i>KBGN</i>	Software in development <i>KBGN</i>	Total <i>KBGN</i>
Gross value as of January 1, 2025					
At the beginning of the period	1 524	42	16		1 582
Acquisitions during the period		33		193	226
Written off during the period					
Gross value as of December 31, 2025	1 524	75	16	193	1 808
Amortization					
Amortization value as of January 1, 2025	786	20	3	-	809
Accruals for the period	220	22	3		245
Written off during the period				-	
Amortization value as of December 31, 2025	1 006	42	6	-	1 054
Amortization value as of December 31, 2025	518	33	10	193	754
2024					
Gross value as of January 1, 2024					
At the beginning of the period	1 478	48	4	61	1 591
Acquisitions during the period	61	19	16		96
Written off during the period	(15)	(25)	(3)	(61)	(104)
Gross value as of December 31, 2024	1 524	42	17	-	1 583
Amortization					
Amortization value as of January 1, 2024	593	17	3	-	613
Accruals for the period	208	28	3		239
Written off during the period	(15)	(25)	(3)	-	(43)
Amortization value as of December 31, 2024	786	20	3	-	809
Carrying amount at the end of the period	738	22	14	-	774

Intangible assets

As of 31st December 2025 the Company's intangible assets consist of an in-house developed software. It is a key intangible asset that plays a central role in the company's business model. Вътрешноразработеният софтуер на дружеството представлява ключов нематериален актив, който играе централна роля в бизнес модела на компанията. It provides a comprehensive system for administration and management of all processes related to lending and customer service, while complying with standard practices in the sector and the specific needs of the company. The following in-house developed software product is presented within the framework of the company's Software Products - the company's **"Credit Management Platform"**, consisting of the following modules: **Collection Module, Identify check Module, Scoring Module, ITF Admin Module (The System)**.

2025

Internally acquired intangible assets during the period	ITF Admin <i>KBGN</i>	Collection System <i>KBGN</i>	Identity reports Software <i>KBGN</i>	Scoring Software <i>KBGN</i>	Total <i>KBGN</i>
Gross value as of 1 st January 2025	1 173	160	100	90	1 523
Acquisitions during the period					
Written off during the period					
Gross value as of 31st December 2025	1 173	160	100	90	1 523
Amortizations					
Amortization value as of 1 st January 2025	535	115	70	65	785
Acquisitions during the period	170	23	14	13	220
Written off during the period					
Amortization value as of 31st December 2025	705	138	84	78	1 005
Balance value at the end of the period	468	22	16	12	518

2024

Internally acquired intangible assets during the period	ITF Admin <i>KBGN</i>	Collection System <i>KBGN</i>	Identity reports Software <i>KBGN</i>	Scoring Software <i>KBGN</i>	Total <i>KBGN</i>
Gross value as of 1 st January 2024	1 113	160	100	90	1 463
Acquisitions during the period	60				60
Written off during the period					
Gross value as of 31st December 2024	1 173	160	100	90	1 523
Amortizations					
Amortization value as of 1 st January 2024	378	92	56	52	578
Acquisitions during the period	157	23	14	13	207
Written off during the period					
Amortization value as of 31st December 2024	535	115	70	65	785
Balance value at the end of the period	638	45	30	25	738

An inventory of intangible assets, plant and equipment was conducted as of December 31, 2025. No shortages and/or surpluses were identified.

The Company has no material contractual obligations to acquire fixed tangible or intangible assets as of

December 31, 2025 .

As of December 31, 2025, there are no encumbrances established on the company's fixed tangible and intangible assets.

A review of all significant intangible assets, plant and equipment as of December 31, 2025 was performed to check for any impairment data, as a result of which it was established that there are no material differences between the carrying value of the assets and their recoverable amounts.

For the purposes of the impairment test for internally acquired intangible assets, a fair (market) value assessment has been assigned to a licensed appraiser with appropriate qualifications. Management's assessment is that there are no indications of impairment of internally acquired intangible assets.

16. RIGHT-OF-USE ASSETS

Right-of-use assets include:

2025

Right-of-use assets	Buildings	Vehicles – financial leasing	Total
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
Gross value as of 01.01.2025	1 465	74	1 539
Acquisitions during the period	7		7
Written off during the period			
Gross value as of 31.12.2025	1 472	74	1 546
Depreciation			
Depreciation value as of 01.01.2025	957	3	960
Accruals for the period	281	15	296
Disposals during the period			
Depreciation value as of 31.12.2025	1 238	18	1 256
Depreciation value as of 31.12.2025	234	56	290

2024

Right-of-use assets	Buildings	Vehicles – operative leasing	Vehicles – financial leasing	Total
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
Gross value as of 01.01.2024	1 355	54		1 409
Acquisitions during the period	312		74	386
Written off during the period	(255)			(255)
Gross value as of 31.12.2024	1 412	54	74	1 540
Depreciation				
Depreciation value as of 01.01.2024	871	46		917
Accruals for the period	288	8	4	300
Disposals during the period	(255)			(255)
Depreciation value as of 31.12.2024	904	54	4	962
Carrying amount as of 31.12.2024	508	-	70	578

17. INVESTMENTS IN SUBSIDIARIES

ITF Group JSC has made investments in subsidiaries. Data about the investments and the companies is

presented below:

Klear Lending JSC

ITF Group JSC acquired control over Klear Lending JSC in September 2025, by acquiring 245,609 ordinary, restricted, registered, outstanding voting shares, representing 76.11% of the capital of Klear Lending JSC.

Seat and management address

Country: Bulgaria

Region: Sofia (capital city), Municipality: Stolichna

Town: city of Sofia, P.C. 1784

Mladost residential district

European trade centre, 115M Tsarigradsko shosse Str., entr. D, floor 1

Subject of activity: granting loans with funds that are not raised through public attraction of deposits or other repayable funds.

Monesso PLTD

ITF Group JSC established Monesso PLTD in 2025.

Country: Bulgaria

Region: Sofia (capital city), Municipality: Stolichna

Town: city of Sofia, P.C. 1407

Lozenets residential district, 16 Srebarna Str., Park Lane office building

Subject of activity: commercial, intermediary and consulting activities

The value of the investments in subsidiaries is:

Name of the subsidiary	31 December 2025
	KBGN
Monesso PLTD	1 500
Klear Lending JSC	447
	1 947

The companies are reflected in the Company's financial statements using the cost method.

Estimated financial result before tax of the subsidiaries:

Name of the subsidiary	31 December 2025
	KBGN
Monesso PLTD	36
Klear Lending JSC	(204)

As of 31st December 2025 the Company has not received dividends.

18. INVESTMENTS IN ASSOCIATED COMPANIES

In September 2025 the Company acquired 1 250 ordinary, restricted, registered shares with voting rights, representing 20.24 % of the voting rights and equity of FinBiz Technologies JSC.

Address of FinBiz technologies: Sofia, Stolichna municipality, P. C. 1784, Mladost residential district, 111B Tsarigradsko Shosse Str., Incubator building, floor 1

The scope of activity of FinBiz Technologies JSC is: development, implementation and maintenance of software, trade in intellectual property, copyright and licensing rights, marketing, brokerage, consulting, advertising and information activities, as well as all other activities not prohibited by law, including after issuing the necessary permits and licenses for the respective activity.

Name of the associated company

31 December 2025

KBGN

FinBiz Technologies JSC

83

Investments are recorded at cost.

The estimated financial result of FinBiz Technologies JSC for 2025, before tax, is (41) thousand BGN.

19. ASSETS FROM DEFERRED TAX (NET)

2025

	<i>Tax base</i>	<i>Tax</i>
	<i>31 Dec 25</i>	<i>31 Dec 25</i>
	<i>KBGN</i>	<i>KBGN</i>
Deferred tax assets		
Accrued unused annual leave	152	15
Recognition of unrecognized expenses for unused annual leave	(123)	(12)
Expense representing income of residents	56	5
Recognition of unrecognized expenses representing income of residents	(51)	(5)
Accounting recognized expenses in connection with operating lease contracts under IFRS 16	(268)	(26)
Income/expense dereffed taxes	234	23

	<i>Tax base</i>	<i>Tax</i>
	<i>31 Dec 25</i>	<i>31 Dec 25</i>
	<i>KBGN</i>	<i>KBGN</i>
Deferred tax liabilities		
Taxable expenses in connection with operating lease contracts under IFRS 16	(234)	(23)
Income/expense deferred tax	(234)	(23)
Change in deferred tax assets and liabilities net	-	-

2024

	<i>Tax base</i>	<i>Tax</i>
	<i>31 Dec 24</i>	<i>31 Dec 24</i>
	<i>KBGN</i>	<i>KBGN</i>
Deferred tax assets		
Accrued unused annual leave	138	13
Recognition of unrecognized expenses for unused annual leave	(92)	(9)
Expense representing income of residents	50	5
Recognition of unrecognized expenses representing income of residents	(62)	(6)
Accounting recognized expenses in connection with operating lease contracts under IFRS 16	337	33
Income/expense deferred tax	371	36

	<i>Tax base</i>	<i>Tax</i>
	<i>31 Dec 24</i>	<i>31 Dec 24</i>
	<i>KBGN</i>	<i>KBGN</i>
Deferred tax liabilities		
Taxable expenses in connection with operating lease contracts under IFRS 16	(327)	(33)
<i>Income/expense deferred tax</i>	(327)	(33)
Change in deferred tax assets and liabilities net	44	3

20. RECEIVABLES FROM GRANTED LOANS

ITF Group JSC differentiates between two groups of receivables depending on their maturity. Non-current receivables represent loans to individuals and legal entities forming the company's portfolio, with a contract term of over 12 months. Current receivables, on the other hand, are receivables from individuals and legal entities maturing within 12 months.

The distribution of loans to individuals and legal entities depending on their maturity is presented below:

20.1. Non-current receivables from granted loans

20.1.1 Non-current receivables from granted loans to individual borrowers

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Receivables from clients, gross before impairment	23 936	-
Recognized impairment for expected credit loss	(2 091)	-
Receivables from clients, net	21 845	-

Quality of the credit portfolio for non-current receivables from loans to individual borrowers

<i>31 December 2025</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>	<i>Total</i>
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
Gross carrying amount	15 030	3 268	5 638	23 936
Impairment	(97)	(81)	(1 913)	(2 091)
Net carrying amount	14 933	3 187	3 725	21 845

20.1.2. Non-current receivables from granted loans to companies

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Receivables from clients, gross before impairment	799	2 430
Impairment recognized for expected credit loss	(73)	(73)
Receivables from clients, net	726	2 357

Quality of the credit portfolio for companies

31 December 2025	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	799			799
Impairment	(73)			(73)
Net carrying amount	726			726

31 December 2024	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	2 430			2 430
Impairment	(73)			(73)
Net carrying amount	2 357			2 357

20.2. Current receivables from granted loans*20.2.1 Current receivables from granted loans to individual borrowers*

	31 December 2025 KBGN	31 December 2024 KBGN
Receivables from clients, gross before impairment	41 637	42 683
Recognized impairment for expected credit loss	(18 936)	(12 133)
Receivables from clients, net	22 701	30 550
Court receivables from granted loans	1 829	1 220
Impairment recognized for expected credit loss	(1 829)	(1 220)
Court receivables, net	-	-
Prepaid loans	(204)	(94)
Net receivables from clients	22 497	30 456

Quality of the credit portfolio for current receivables from loans to individual borrowers

31 December 2025	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	5 551	11 263	26 652	43 466
Impairment	(25)	(3 087)	(17 653)	(20 765)
Net carrying amount	5 526	8 176	8 999	22 701

31 December 2024	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	13 064	14 982	14 636	42 682
Impairment	(73)	(3 203)	(8 856)	(12 132)
Net carrying amount	12 991	11 779	5 780	30 550

*Quality of the credit portfolio for court receivables***31 December 2025**

	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	-	-	1 829	1 829
Impairment	-	-	(1 829)	(1 829)
Net carrying amount	-	-		

31 December 2024

	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	-	-	1 220	1 220
Impairment	-	-	(1 220)	(1 220)
Net carrying amount	-	-	-	-

20.2.2 Current receivables from granted loans to companies

31 December 2025 31 December 2024
KBGN. KBGN

Receivables from clients, gross before impairment	2 770	-
Recognized impairment for expected credit loss	-	-
Receivables from clients, net	2 770	2 770

*Quality of the credit portfolio for companies***31 December 2025**

	Phase 1 KBGN	Phase 2 KBGN	Phase 3 KBGN	Total KBGN
Gross carrying amount	2 770			2 770
Impairment	-			-
Net carrying amount	2 770			2 770

The above tables present the Company's credit risk exposure as of December 31, 2025 and December 31, 2024. For balance sheet assets, the credit risk exposure presented in the tables is based on the net carrying amount as reported in the individual statement of financial position for the relevant period.

In determining the amount of expected credit losses, trade receivables from granted loans to individuals are assessed on a collective basis, as they have similar credit risk characteristics. They are grouped according to the number of days past due and also according to the type of credit product.

Expected loss rates are based on the profile of loan repayments over a 24-month period and the corresponding historical credit losses over that period. Historical rates are adjusted to reflect current and prospective macroeconomic factors affecting the customer's ability to settle the outstanding amount.

20.3. Total amount of receivables from granted loans

The total amount of receivables from granted loans has a net carrying value of KBGN 47 838 (2024: KBGN 30 456)

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December 2024</i> <i>KBGN</i>
Receivables from clients, gross before impairment	69 142	42 683
Recognized impairment for expected credit loss	(21 100)	(12 133)
Receivables from clients, net	48 042	30 550
Court receivables from granted loans	1 829	1 220
Recognized impairment for expected credit loss	(1 829)	(1 220)
Court receivables, net	-	-
Pre-paid loans	(204)	(94)
Receivables from clients, net	47 838	30 456

The total amount of expected credit loss from granted loans as of 31st December 2025 is as follows:

	Total impairment of receivables portfolio on a collective base, reported at amortized value	
	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Balance on 1 st January 2025	(13 353)	(6 787)
Recognized expected credit loss for the current period	(11 857)	(8 905)
Written-off impairment of sold loans	2 354	2 339
As of 31st December 2025	(22 856)	(13 353)

	Total impairment of receivables granted loans companies	
	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Balance on 1 st January 2025	(73)	(73)
As of 31st December 2025	(73)	(73)

The management's estimate is that the expected credit loss of the portfolio takes into account the macroeconomic environment and the expectations are that no corrections to the amount of expected credit loss would be necessary.

As of 31st December 2025 in favor of the trustee under a bond issue with ISIN BG2100017198 Elana Trading JSC, a pledge of receivables under loans granted to borrowers has been registered, in accordance with the Law on Pledges, to the amount of KBGN 402 (31.12.2024: KBGN 891), see annex 26.

As collateral under the Framework Agreement, a pledge of receivables of the Company has been established under the Financial Instruments Act to the amount of BGN 2,500 thousand. The borrower's liability at the end of the reporting period is in the amount of KBGN 1 747.

20.4. Change in the credit portfolio by phase, loans to individuals

Gross carrying amount

	Phase 1	Phase 2	Phase 3	Total
Gross balance as of 1st January 2025	13 064	14 982	15 857	43 903
Increase due to occurrence and acquisition	3 518	15 475	7 480	26 473
Decrease due to suspension of recognition	(9 252)	(4 204)	(3 553)	(17 009)
Accrued interest on uncovered exposures	191	953	4 066	5 210
Changes due to a change in the credit risk (net)	13 060	(7 038)	2 803	8 825
Gross balance as at 31st December 2025	20 581	20 168	26 653	67 402

Expected credit losses:

	Phase 1	Phase 2	Phase 3	Total
Balance on 1st January 2025, gross	(73)	(3 420)	(9 860)	(13 353)
Increase due to occurrence and acquisitions	(121)	(3 467)	(13)	(3 601)
Decrease due to suspension of recognition	50	839	1 968	2 857
Changes due to a change in the credit risk (net)	22	703	(9 484)	(8 759)
Balance on 31st December 2025, gross	(122)	(5 081)	(17 654)	(22 856)

Change in the credit portfolio by phase

Gross carrying amount

31st December 2024

	Phase 1	Phase 2	Phase 3	Total
Gross balance as of 1st January 2024	8 889	8 751	11 446	29 086
Increase due to occurrence and acquisitions	4 349	7 499	8 393	20 241
Decrease due to suspension of recognition	(6 546)	(2 887)	(3 586)	(13 019)
Accrued interest on uncovered exposures	85	934	2 438	3 457
Changes due to a change in the credit risk (net)	6 287	685	(2 834)	4 138
Gross balance as of 31st December 2024	13 064	14 982	15 857	43 903

Expected credit losses:

	Phase 1	Phase 2	Phase 3	Total
Balance on 1st January 2024, gross	(68)	(1 244)	(5 476)	(6 788)
Increase due to occurrence and acquisitions	(72)	(2 395)	(10)	(2 477)
Decrease due to suspension of recognition	47	338	1 458	1 843
Changes due to a change in the credit risk (net)	20	98	(6 049)	(5 931)
Balance on 31st December 2024, gross	(73)	(3 203)	(10 077)	(13 353)

20.5. Sale of receivables

In 2025, sales of receivables under a framework contract were realized. The effect of the sale on the portfolio of receivables is as follows:

	2025 KBGN	2024 KBGN
Gross value of sold receivables on loans granted	4 604	3 809
Total amount of written-off impairment of receivables	(2 354)	(2 339)

Net value of sold receivables on loans granted	2 250	1 470
Income from the sale of receivables	436	357
Net loss from the sale of receivables on loans granted	(1 814)	(1 113)

In 2025, the Company followed its policy of managing the portfolio of receivables and minimising the liquidity risk, and realized the sale of a portfolio of overdue receivables on loans. This sale was of exposures with increased credit risk and significant reported losses and did not distort the business model for management of these assets, but was used as an instrument to limit the additional losses in relation to that portfolio. In spite of the few such transactions on the market of irrecoverable receivables, the Company implemented the transaction under the good percentages. When concluding such deals, the company's management makes careful assessment of the exposures to be included in the package of claims for sale. The packages are determined on the basis of days of arrears and already accumulated impairment losses on specific receivables.

21. TRADE RECEIVABLES AND ADVANCES

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December 2024</i> <i>KBGN</i>
Pre-paid expences, advances	18	34
Receivables from clients	285	12
	303	46

22. OTHER CURRENT ASSETS

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December 2024</i> <i>KBGN</i>
Interest on granted loans		304
Balance with payment operators	137	81
Other short-term receivables	19	8
	156	393

23. GUARANTEES

As of 31 December 2025, the guarantees in relation to office lease agreements amount to KBGN 148 (as of 31 December 2024 – KBGN 114). The amount of KBGN 148 consists of deposits on operative lease contracts.

24. CASH AND CASH EQUIVALENTS

As of 31 December 2025, the cash is available in the Company's current accounts in the following banks and payment service system operators:

- Eurobank Bulgaria JSC
- Unicredit Bulbank JSC
- CCB JSC
- DSK JSC
- Easypay JSC
- UBB JSC
- FIB JSC
- Allianz Bank JSC

The cash is distributed as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Cash on hand	75	43
Current accounts in BGN	5 502	3 079
Blocked cash for bank guarantee	101	100
Total	5 678	3 222

The Company reports blocked cash for an issued performance bank guarantee under office lease agreement to the amount of BGN 101 thou and validity until 07.08.2026.

The Company has assessed the expected credit losses on cash and cash equivalents. The assessed amount is 0,2% of the gross amount of cash and cash equivalents due to the good credit rating of the financial institutions where the cash is deposited. The amount is determined as minor and is not stated in the Company's financial statements.

25. EQUITY

25.1. Share capital

As of 31st December 2025 the capital of the Company amounts to BGN 3 500 000 (three million and five hundred thousand Bulgarian levs) and is divided into 3 500 000 (three million and five hundred thousand) shares with a nominal value of BGN 1 (one Bulgarian lev) each, and all 3 500 000 (three million and five hundred thousand) shares are ordinary, uncertified, registered voting shares. As of 31st December 2025, the price of one share at the Bulgarian Stock Exchange is BGN 7.49.

Shareholders

As of 31st December 2025, according to the shareholder book, shareholders of ITF GROUP JSC are:

- Abbey Capital PLTD – 3 098 275 shares – 88.52 %;
- Other unrelated legal entities – 251 914 shares – 7.30 %;
- Individuals – 149 811 shares – 4.18 %;

As at 31 December 2024 according to the shareholders' book the shareholders of ITF GROUP JSC are as follows:

- Abbey Capital PLTD – 3 098 275 shares – 88.52 %;
- Other unrelated legal entities – 219 280 shares – 6.26 %;
- Individuals – 182 445 shares – 5.22 %.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Shares fully paid-up incl.	3 500	3 500
- Ordinary dematerialized registered shares	3 500	3 500
	3 500	3 500

The holders of ordinary shares have the right to dividend and to one vote per share they hold at the general assemblies of ITF GROUP JSC. All shares of the Company are of equal ranking in terms of residual assets.

25.2. Reserves

The statutory reserves amount to KBGN 350 as of December 31 2025 (2024: KBGN 350) and represent 10% of the main share capital in keeping with the requirement of the Commercial Law.

As of 31st December 2025 reserves were formed from the issue of shares to the amount of KBGN 2,310 (2024: KBGN 2,310), representing the difference between the nominal and issue value of the shares subscribed in the most recent capital increase.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Statutory reserves	350	350
Reserves from share issues	2 310	2 310
Total	2 660	2 660

25.3. Retained earnings

Retained earnings as of December 31, 2025 include:

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Retained earnings (net)	7 246	3 660
Distributed dividend	(1 200)	
Profit for the period	5 458	3 586
	11 504	7 246

26. BOND LIABILITIES

The bond issues are stated in the category of financial liabilities measured at amortised cost.

	2025		2024	
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
	Current	Non-current	Current	Non-current
	part	part	part	part
Book value	2 612	22 004	1 212	8 628
Unamortized borrowing costs	(34)	(247)	-	(114)
Depreciated value	2 578	21 757	1 212	8 514

Bond issue on 29 November 2019

	31 December 2025	31 December 2024
	<i>KBGN</i>	<i>KBGN</i>
Principal	1 000	2 000
Interest	13	25
Unamortized costs	(11)	(23)
Total	1 002	2 002

The obligation under the bond issue is presented in the statement of financial position by maturity as follows:

	2025		2024	
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
	Current	Non-current	Current	Non-current
	part	part	part	part
Book value	1 013		1 025	1 000
Unamortized loan costs	(11)		-	(23)
Depreciated value	1 002		1 025	977

Bond loan amount	5 000 000 (five million) лева;
Bond currency	BGN
Number of corporate bonds	5 000 (five thousand) bonds;
Nominal value of 1 bond	1 000 (one thousand) BGN;
Issue value of 1 bond	1 000 (one thousand) BGN;
Date of issue	15 November 2019;
Type of corporate bonds	first in line, ordinary, registered, interest - bearing, dematerialized, non - convertible, freely transferable, secured;
Term	7 (seven) years, 84 (eighty-four) months;
Coupon payment period	6 (six) months;
Repayment of the principal	10 (ten) equal installments together with the last 10 interest payments, namely;
	15.05.22
	15.11.22
	15.05.23
	15.11.23
	15.05.24

	15.11.24
	15.05.25
	15.11.25
	15.05.26
	15.11.26
Coupon	10 % p.a.
Collateral	real estate and receivables

As of December 31 2025, a pledge of loan receivables was registered in favor of the trustee under the bond issue Elana Trading JSC, pursuant to the Special Pledges Act, in the amount of KBGN 402. (31.12.2024: KBGN 891). The pledged assets represent 0.6 % of the company's gross portfolio.

A contractual mortgage on real estate owned by a shareholder in the amount of KBGN 2,526 is established in favor of the bond issue trustee Elana Trading JSC.

A first ranking pledge over all current and future receivables to payment accounts of the Company in EasyPay JSC, as well as all other current and future receivables in accounts of ITF Group JSC in payment institutions on the territory of the Republic of Bulgaria is established in favour of the bond issue trustee Elana Trading JSC.

A valid insurance policy for insurance on the real estate subject to the collateral, of an insured value not less than the indicated value for buildings according to an up-to-date and market valuation of the properties has been secured.

Performance of the indicators in relation to the issued bond:

The value of the indicator "Interest cost coverage" as of 31 December 2025 is 330% (2024: 345%), with an obligation to maintain a minimum ratio of no less than 200%.

The value of the ratio of liabilities to assets as of 31.12.2025 is 70.17% (2024: 65,74%), with an obligation to maintain a maximum ratio of no more than 80%.

The value of the indicator "Minimum amount of collateral" as of 31.12.2025 is 34.15% (2024 51,77%), with an obligation to maintain a maximum collateral ratio of no more than 80%.

The value of one bond on the Bulgarian Stock Exchange JSC as of 31.12.2025 - BG2100017198 ITFA - 100.01% 1000.10 BGN.

At a meeting of the Board of Directors of BSE JSC under Minutes No. 29/22.05.2020, the following decision was made: in connection with an application submitted under Art. 20, para. 1 of Part III Rules for Admission to Trading: The Board of Directors of BSE JSC, pursuant to Art. 33, para. 8 of the same, admits to trading on the BSE Main Market, Bond Segment.

The issue is registered with ISIN code BG2100017198.

Bond issue dated April 23, 2024

In the first half of 2024 the Company subscribed for a new bond issue.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Principal	7 628	7 628
Interest	187	187
Unamortized costs	(74)	(91)
Unamortized costs	7 741	7 724

The bond liability is presented in the statement of financial position by maturity as follows:

	31 December 2025		31 December 2024	
	KBGN	KBGN	KBGN	KBGN
	Current part	Non-current part		
Book value	1 458	6 357	187	7 628
Unamortized loan costs	(23)	(51)	-	(91)
Depreciated value	1 435	6 306	187	7 537

Bond loan amount	3 900 000 (three million and nine hundred thousand);
Bond currency	EUR
Number of corporate bonds	3 900 (five thousand) bonds;
Nominal value of 1 bond	1 000 (one thousand) EUR;
Емисионна стойност на 1 облигация	1 000 (one thousand) EUR;
Date of issue	23 April 2024;
Type of corporate bonds	first in line, ordinary, registered, interest - bearing, dematerialized, non - convertible, freely transferable, secured;
Term	5 (five) years, 60 (sixty) months;
Coupon payment period	6 (six) months;
Repayment of the principal	6 (six) equal installments together with the last 6 interest payments, namely: 23.10.26 23.04.27 23.10.27 23.04.28 23.10.28 23.04.29
Coupon	13 % p.a.
The issue is unsecured.	

With decision 502-E of 25.07.2024, the Financial Supervision Commission allowed trading on a regulated market of an issue to the amount of EUR 3,900,000 (three million nine hundred thousand), distributed in 3,900 (three thousand nine hundred) ordinary, interest-bearing, dematerialized, registered, freely transferable, unsecured, non-convertible bonds, with a nominal value of one bond to the amount of EUR 1,000 (one thousand) and a fixed annual interest rate of 13%, payable in six-month periods, with an issue date 23.04.2024 and maturity date 23.04.2029, with ISIN code BG2100009245, with the right of the lessee to exercise a call option on the dates of the 6th, 7th, 8th and 9th interest payment, with the right of bondholders to exercise two put options (put option on change in control of the issuer and a put option in case of non-acceptance of the bonds for trading on a regulated market within 6 months from the date of their issuance), issued by ITF Group JSC, Sofia, according to the decision of the Board of Directors dated 11.04.2024. The FSC entered this bond issue in its register under Art. 30, para. 1, item 3 of the Financial Supervision Act, for the purpose of trading on a regulated market.

Performance of the indicators in relation to the bond issue:

The value of the indicator "Interest cost coverage" as of 31.12.2025 is 330% (2024: 345%), with an obligation to maintain a minimum ratio of not less than 200%.

The value of the ratio of liabilities to assets as of 31.12.2025 is 70.17% (2024: 65,74), with an obligation to maintain a maximum ratio of not more than 80%.

The value of one bond on Bulgarian Stock Exchange JSC as of 31.12.2025 - BG2100009245 ITFB – 108.5% - 1085 euro.

Bond issue from April 4, 2025

During the first half of the year, the Company subscribed for a new bond issue.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Principal	15 647	-
Interest	141	-
Unamortized costs	(196)	-
Total	15 592	-

The bond liability is presented in the statement of financial position by maturity as follows:

	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
	Current	Non-current	Current	Non-current
	part	part	part	part
Book value	141	15 647		
Unamortized loan costs	-	(196)		
Depreciated value	141	15 451		

Bond amount	8 000 000 (eight million) EUR;
Bond currency	EUR
Number of corporate bonds	8 000 (eight thousand) bonds;
Nominal value of 1 bond	1 000 (one thousand) EUR;
Issue value of 1 bond	1 000 (one thousand) EUR;
Date of issue	4th April 2025;
Type of corporate bonds	ordinary, registered, interest-bearing, dematerialized, non-convertible, freely transferable, unsecured;
Term	7 (seven) years and 2 (two) months, 86 months (eighty-six months)
Coupon payment period	6 (six) months;
Repayment of the principal	in 6 (six) installments together with the last 6 interest payments, as 5 (five) installments of EUR 1,000,000 (one million) each, payable together with the penultimate five interest payments, namely: 04.12.29 04.06.30 04.12.30 04.06.31 04.12.31 1 (one) installment of EUR 3,000,000 (three million) payable together with the last interest payment on the following date: 04.06.32
Coupon	13 % p.a.
The issue is unsecured.	

With decision 351-E of 04.06.2025, the FSC allowed trading on a regulated market of an issue of EUR 8 000 000 (eight million), distributed in 8,000 (eight thousand) ordinary, interest-bearing, dematerialized, registered, freely transferable, unsecured, non-convertible bonds, with a nominal value of one bond in the amount of EUR 1,000 (one thousand), with a fixed annual interest rate of 13 %, payable in six-month

periods, with an issue date 04.04.2025 and a maturity date 04.06.2032, with ISIN code BG2100005250, with the right of the lessor to exercise a call option on the dates of the 10th, 11th, 12th and 13th interest payment, with the right of bondholders to exercise a put option upon a change in control of the issuer and a put option in case of non-acceptance of the bonds for trading on a regulated market within 6 months from the date of their issuance, issued by ITF Group JSC, Sofia, according to the decision of the Board of Directors of 24.03.2025. The Financial Supervision Commission entered the specified bond issue in the register under art. 30, para. 1, item 3 of the Financial Supervision Act, for the purpose of trading on a regulated market.

Performance of the indicators in relation to the issued bond:

The value of the indicator "Interest cost coverage" as of 31.12.2025 is 330% (2024: 345%), with an obligation to maintain a minimum ratio of no less than 200%.

The value of the ratio of liabilities to assets as of 31.12.2025 is 70.17% (2024: 65,74%), with an obligation to maintain a maximum ratio of no more than 80%.

The value of one bond on Bulgarian Stock Exchange JSC as of 31.12.2025 - BG2100005250 ITFB – 108.5% 1085 euro.

27. PAYABLES UNDER LEASE CONTRACTS

	2025 KBGN	2024 KBGN
Liabilities under lease contracts – non-current part	65	320
Liabilities under lease contracts – current part	252	314
Obligations under lease contracts	317	634

	Minimal lease payments due					Total KBGN
	Up to 1 year KBGN	1-2 years KBGN	2-3 years KBGN	3-4 years KBGN	4-5 years KBGN	
31 December 2025						
Lease payments	260	66				326
Financial expenses	(8)	(1)				(9)
Current amount, net	252	65				317
31 December 2024						
Lease payments	340	298	30			668
Financial expenses	(26)	(8)				(34)
Current amount, net	314	290	30			634

The Company leases office space and cars for business use. Except for short-term leases and leases of low-value assets, each lease is recorded in the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments that do not depend on an index or variable percentage (for example, lease payments based on a percentage of the Company's sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets on a separate line in the individual Statement of Financial Position (Note 16).

Each lease usually imposes a restriction that the right-of-use assets may only be used by the Company,

unless the Company has a contractual right to sublease the asset to a third party. The Company is prohibited from selling or pledging the leased assets as collateral. Under the office lease agreement, the Company must maintain the leased properties in good condition and return the properties to their original condition upon expiration of the lease agreement.

Lease payments which are not recognized as liabilities

The Company has decided not to recognize liabilities under leases if they are short-term (leases with an expected term of 12 months or less) or if they are for the lease of low-value assets. Payments made under these leases are recognized as an expense on a straight-line basis. In addition, certain variable lease payments cannot be recognized as lease liabilities and are recognized as an expense when incurred.

The expenses related to payments not included in the valuation of lease liabilities as of December 31, 2025 are as follows:

Variable lease payments that are not recognized as lease liabilities include short-term rental of parking spaces and costs for the use of office equipment above a certain fixed amount. Variable payment terms are used for a number of reasons, including minimizing the cost of IT equipment that is rarely used in the business. Variable lease payments are recognized as an expense in the period in which they are incurred.

Their amount is presented in Appendix 9, including payments for office equipment rental KBGN 30 (2024 – KBGN 6) and parking space rental KBGN 32 (for 2024 – KBGN 34).

Additional information on the types of right-of-use assets is presented in Appendix 16.

28. NON-CURRENT LIABILITIES FOR BORROWINGS

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Liabilities to third parties for loans received	493	1 074
	493	1 074

Loan agreement

Botjo V.

Agreed amount:	KBGN 200
Date of conclusion of the contract	29/06/2015
Purpose of loans:	Working capital
Due date:	30/10/2027
Interest rate:	11%
Balance as of 31.12.2024:	principal – KBGN 200
Balance as of 31.12.2025:	principal – KBGN 200

Loan agreement

Toma T.

Agreed amount:	KBGN 293
Date of conclusion of the contract:	04/01/2016
Purpose of loans:	Working capital
Due date:	1/11/2027
Interest rate:	10%
Balance as of 31.12.2024:	principal – KBGN 293 KBGN
Balance as of 31.12.2025:	principal – KBGN 293 KBGN

The borrowing received by the Company is unsecured.

29. TRADE PAYABLES

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December</i> <i>2024</i> <i>KBGN</i>
Current payables to suppliers	71	150
	71	150

30. CORPORATE TAX LIABILITY

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December 2024</i> <i>KBGN</i>
Corporate tax liability	56	136
	56	136

31. EMPLOYEE BENEFITS AND PAYABLES TO SOCIAL SECURITY INSTITUTIONS

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December 2024</i> <i>KBGN</i>
Employee benefits	89	74
Liabilities for accrued compensatory leave	208	179
Personal income tax obligations	108	59
Payables for state social security scheme and health insurance	75	71
	480	383

32. LIABILITIES FOR CONTINUING INVOLVEMENT IN FINANCIAL ASSETS

The liability formed from participation in Peer-to-Peer platforms as of 31st December 2025 amounts to KBGN 15 009 KBGN. (2024: KBGN 12 377).

33. LIABILITIES FOR SHORT-TERM BORROWINGS

	<i>31 December 2025</i> <i>KBGN</i>	<i>31 December</i> <i>2024</i> <i>KBGN</i>
Liabilities for borrowings from third parties	616	1 009
	616	1 009

Loan agreement**Christian D.**

Agreed amount:	KBGN 158
Date of conclusion of the contract:	28/06/2022
Purpose of loan:	Working capital
Maturity date:	02/01/2026

Interest rate:	10%
Balance as of 31.12.2024:	principal – KBGN 71
Balance as of 31.12.2025:	principal – KBGN 35

Loan agreement
Dahnson-BG LTD
UIC 203612570

Agreed amount:	KBGN 111
Date of conclusion of the contract:	02/11/2020
Purpose of loans:	Working capital
Due date:	30/11/2026
Interest rate:	10%
Balance as of 31.12.2024:	principal – KBGN 111 (non-current)
Balance as of 31.12.2025:	principal – KBGN 111

Loan agreement
Dahnson-BG LTD
UIC 203612570

Agreed amount:	KBGN 470
Date of conclusion of the contract:	02/11/2020
Purpose of loans:	Working capital
Due date:	06/01/2026
Interest rate:	10%
Balance as of 31.12.2024:	principal – KBGN 470 (non-current)
Balance as of 31.12.2025:	principal – KBGN 470

Loan agreement
Filip D.

Agreed amount:	KBGN 938
Date of conclusion of the contract:	18/10/2022
Purpose of loan:	Working capital
Maturity date:	31/12/2025
Interest rate:	10%
Balance as of 31.12.2024:	principal – KBGN 938 (non-current)
Balance as of 31.12.2025:	paid

34. OTHER LIABILITIES

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>KBGN</i>	<i>KBGN</i>
Current corporate credit card liability	11	4
VAT liability	26	40
Others	13	11
Settlement obligations on insurance contracts	80	168
	130	223

35. RECONCILIATION OF CASH FLOWS RELATED TO FINANCING ACTIVITY

	31 December 2025	Cash flows	Changes of non- monetary nature	31 December 2025
	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>	<i>KBGN</i>
Received loans – net	24 187	11 623	4 643	40 453
Lease	634	(491)	174	317
Paid dividend	9	(1 191)	1 195	13
Total liability from financing activity	24 830	9 941	6 012	40 783

	31 December 2024	Cash flows	Changes of non- monetary nature	31 December 2024
	<i>XHA, AB.</i>	<i>XHA, AB.</i>	<i>XHA, AB.</i>	<i>XHA, AB.</i>
Received loans – net	14 607	6 763	2 817	24 187
Lease	565	(505)	574	634
Paid dividend		(389)	398	9
Total liability from financing activity	15 172	5 869	3 789	24 830

36. RELATED PARTIES

As of 31.12.2025, according to the shareholder register, shareholders of ITF GROUP JSC are:

- Abbey Capital PLTD – 3 098 275 shares – 88.52 %;
- Other unrelated legal entities – 251 914 shares – 7.30 %;
- Individuals – 149 811 shares – 4.18 %;

Related parties:

Owners of the Company's capital	ABBEY CAPITAL PLTD	203269374	88.52%	
Key managers of the Company	Svetoslav Yuriy Angelov			CEO and Member of BoD
	Yuriy Angelov Angelov			Chairperson of BoD
	Zornitsa Georgieva Staynova			Member of BoD
	Juliana Ognianova Muteva			Member of BoD
	Diyan Dimitrov Georgiev			Member of BoD
People who own the capital of the company owner of ITF's capital	Svetoslav Yuriy Angelov		88.52%	Sole owner of the capital of ABBEY CAPITAL PLTD

Subsidiaries (direct control)	MONESSO PLTD	208392473	100.00%	ITF GROUP JSC is the sole owner
	KLEAR LENDING JSC	203914736	76.11%	ITF GROUP JSC owns 76,11% of the shares in KLEAR LENDING JSC. Svetoslav Yuriy Angelov is the beneficial owner (67,37% indirectly through ABBEY CAPITAL PLTD).
Companies over which ITF has indirect control				
Associated companies	FINBIZ TECHNOLOGIES JSC	207277336	20.24%	ITF GROUP JSC owns 20,24% of the shares in FINBIZ TECHNOLOGIES JSC. (1 250 ordinary, restricted, registered, outstanding shares with voting rights of a total of 6 176)
Mixed companies				
Companies which are under common control with ITF	ABBAY CAPITAL PLTD	203269374		Svetoslav Yuriy Angelov is the sole owner of the capital.
	FASTCOLLECT PLTD	206338142	indirectly	Svetoslav Yuriy Angelov indirectly 100%
	GETCASH.BG PLTD	202946574	indirectly	Svetoslav Yuriy Angelov indirectly 100%
	SMILE CREDIT PLTD	202946528	indirectly	Svetoslav Yuriy Angelov indirectly 100%
	THE CASE LTD	204699553	90.00%	Svetoslav Yuriy Angelov is a shareholder.
	THE CASE 2019 PLTD	205576062	indirectly	Svetoslav Yuriy Angelov
	THE CASE COMPANY PLTD	205661242	indirectly	Svetoslav Yuriy Angelov
	THE CASE PROJECT PLTD	205661139	indirectly	Svetoslav Yuriy Angelov

	THE CASE ART PLTD	205931766	indirectly	Svetoslav Yuriy Angelov
	CREMAX AUTO PLTD	202524683		Svetoslav Yuriy Angelov is the sole owner of the capital
	SANLEX 2012 PLTD	202160322		Svetoslav Yuriy Angelov is the sole owner of the capital
	DELTA-A PLTD	201892650		Svetoslav Yuriy Angelov is the sole owner of the capital
	DELTA - YU PLTD	201892611		Yuriy Angelov Angelov is the sole owner of the capital
	DELTA COM GROUP KDA	202035774	indirectly: - Svetoslav Angelov 50%; Yuriy Angelov 50%	
Companies, in the management of which there are people who are in the management of ITF Group or are owners	ABBAY CAPITAL PLTD	203269374		Svetoslav Yuriy Angelov is the Manager.
	FASTCOLLECT PLTD	206338142		Svetoslav Yuriy Angelov is the Manager.
	GETCASH.BG PLTD	202946574		Svetoslav Yuriy Angelov is the Manager.
	SMILECREDIT PLTD	202946528		Svetoslav Yuriy Angelov is the Manager.
	THE CASE PLTD	204699553		Svetoslav Yuriy Angelov is the Manager.
	THE CASE 2019 PLTD	205576062		Svetoslav Yuriy Angelov is the Manager.
	THE CASE COMPANY PLTD	205661242		Svetoslav Yuriy Angelov is the Manager.
	THE CASE PROJECT PLTD	205661139		Svetoslav Yuriy Angelov is the Manager.
	THE CASE ART PLTD	205931766		Svetoslav Yuriy Angelov is the Manager.
	DELTA-A PLTD	201892650		Svetoslav Yuriy Angelov is the Manager.
	DELTA-YU PLTD	201892611		Yuriy Angelov Angelov is the Manager.
	AXE CAPITAL LTD	204952152		Svetoslav Yuriy Angelov is the Manager.
	S V S INVESTMENT JSC	204829192		Svetoslav Yuriy Angelov is a representative and member of BoD.
	CREMAX AUTO PLTD	202524683		Svetoslav Yuriy Angelov is the Manager.

	KIZMETI JSC	201653351		Svetoslav Yuriy Angelov is a representative and member of BoD. Yuriy Angelov Angelov is a member of BoD.
	REPUBLIC HOLDING JSC	121676036		Svetoslav Yuriy Angelov and Yuriy Angelov Angelov are members of BoD.
	S V INVESTMENT LTD	204092165		Svetoslav Yuriy Angelov is the Manager.
	SANLEX 2012 PLTD	202160322		Svetoslav Yuriy Angelov is the Manager.
	AXE CAPITAL FM LTD	207570510		Svetoslav Yuriy Angelov is a Manager.
	A FINANCE PLTD	204185609		Svetoslav Yuriy Angelov is the Manager.
	MONESO PLTD	208392473		Svetoslav Yuriy Angelov is the Manager.
	SUNSET HORIZONS PLTD	208269944		Yuriy Angelov Angelov is the Manager.
	DELTA S - 2 PLTD	121416309		Yuriy Angelov Angelov is the Manager.
	ARMSNAB JSC	121333685		Yuriy Angelov Angelov is a member of BoD.
	KLEAR LENDING JSC	203914736		Diyan Dimitrov Georgiev is a representative and a member of BoD; Zornitsa Georgieva Staynova is a member of BoD; Juliana Ognianova Muteva is a member of BoD.
	OX COMPANY PLTD	202624623		Zornitsa Georgieva Staynova is the Manager.
	FINBIZ TECHNOLOGIES JSC	207277336		Diyan Dimitrov Georgiev is a representative and member of BoD; Zornitsa Georgieva Staynova is a member of BoD; Juliana Ognianova Muteva is a member of BoD.
	ASSOCIATION FOR RESPONSIBLE NON-BANKING LENDING Association	176686446		Diyan Dimitrov Georgiev is the Vice-chairperson and member of the BoD.
Companies, in the capital of which participate people who are managers in ITF Group or are owners of the capital	ABBAY CAPITAL PLTD	203269374	100.00%	Svetoslav Yuriy Angelov is the sole owner of the capital.
	FASTCOLLECT PLTD	206338142	100% indirectly	Svetoslav Yuriy Angelov indirectly 100%
	GETCASH.BG PLTD	202946574	100% indirectly	Svetoslav Yuriy Angelov indirectly 100%
	SMILECREDIT PLTD	202946528	100% indirectly	Svetoslav Yuriy Angelov indirectly 100%
	ART MEDIA LTD	104693439	8,6% directly; 41,50%; indirectly; Total 50.10%	Svetoslav Yuriy Angelov is a shareholder directly 8,6% Indirectly for Svetoslav Yuriy Angelov 41,50%
	THE CASE LTD	204699553	90.00%	Svetoslav Yuriy Angelov is a shareholder
	THE CASE 2019 PLTD	205576062	100% indirectly	Svetoslav Yuriy Angelov

	THE CASE COMPANY PLTD	205661242	100% indirectly	Svetoslav Yuriy Angelov
	THE CASE PROJECT PLTD	205661139	100% indirectly	Svetoslav Yuriy Angelov
	THE CASE ART PLTD	205931766	100% indirectly	Svetoslav Yuriy Angelov
	AXE CAPITAL FM PLTD	207570510	50.00%	Svetoslav Yuriy Angelov is a partner.
	SIMBALI GROUP LTD	175043714	50.00%	Svetoslav Yuriy Angelov is a partner.
	A INVESTMENT LTD	203704022	25.00%	Svetoslav Yuriy Angelov is a partner.
	DELTA-A PLTD	201892650	100.00%	Svetoslav Yuriy Angelov is sole owner of the capital.
	DELTA-YU PLTD	201892611	100.00%	Yuriy Angelov Angelov is sole owner of the capital.
	AXE CAPITAL LTD	204952152	50.00%	Svetoslav Yuriy Angelov is a partner.
	EXCEPTIONAL TRIUMPH LTD	203509245	30.00%	Svetoslav Yuriy Angelov is a partner.
	CREMAX AUTO PLTD	202524683	100.00%	Svetoslav Yuriy Angelov is sole owner of the capital.
	S V INVESTMENT LTD	204092165	50.00%	Svetoslav Yuriy Angelov is a partner.
	S V S INVESTMENT JSC	204829192	22.72%	Svetoslav Yuriy Angelov is a shareholder.
	SANLEX 2012 PLTD	202160322	100.00%	Svetoslav Yuriy Angelov is sole owner of the capital.
	BRIGADA AND CO LTD	206182202	25.00%	Svetoslav Yuriy Angelov is a partner.
	REPUBLIC HOLDING JSC	121676036	19.67%	Yuriy Angelov Angelov is a shareholder.
	SUNSET HORIZONS PLTD	208269944	100.00%	Yuriy Angelov Angelov is sole owner of the capital.
	A FINANCE PLTD	204185609	100.00%	Yuriy Angelov Angelov is sole owner of the capital.
	OX COMPANY PLTD	202624623	100.00%	Zornitsa Georgieva Staynova is sole owner of the capital.
	CREDIT GATE LTD	203864525	3.00%	Zornitsa Georgieva Staynova is a shareholder.

All employees on an employment contract.

During the period, the company carried out transactions with the following related parties:

Svetoslav Angelov

Connectivity type

Shareholder, Member of the Board of Directors, Executive

Yuriy Angelov	Director
ДОНКА АНГЕЛОВА	Member of the Board of Directors
Diyan Georgiev	Member of the Board of Directors until 15 th July 2025
Zornitsa Staynova	Member of the Board of Directors since 15 th July 2025
Juliana Muteva	Member of the Board of Directors since 15 th July 2025
Abbey Capital PLTD	Owner of the capital 88.52 %;
Klear Lending JSC	Subsidiary
FinBiz Technologies JSC	Associated company
<i>Other related parties:</i>	
Republic holding JSC	Minority ownership of a shareholder, key management
Brigada and Co LTD	Ownership of shareholders, key management
Ox company PLTD	Ownership of a key manager;
Simbali Group LTD	Ownership of a key manager;
Other	Employees under labour contract

36.1. Receivables from related parties

Non-current receivables from related parties	2025 KBGN	2024 KBGN
Receivables from a loan to the owner company		937
Current receivables from related parties	2025 KBGN	2024 KBGN
Receivables from a loan to the owner company	960	184
Receivables from a loan to a subsidiary	323	
Receivables from loans to related parties	661	
Receivables from an advance to other related parties	12	
Receivables from employees	39	39
Other settlements with related parties		2
Total current receivables from related parties	1 996	225

Параметрите на предоставени заеми на свързани лица са оповестени по-долу:

Loan agreement

Abbey Capital PLTD

Agreed amount:	KBGN 1 200
Purpose of the loans:	Working capital
Maturity date:	31/12/2025
Interest rate:	10%
Balance as of 31.12.2025:	principal – KBGN 680 (current) interest – KBGN 280 (current)
Balance as of 31.12.2024	principal – KBGN 937 (non-current)

Loan agreement**Klear Lending JSC**

Agreed amount:	KBGN 320
Purpose of the loans:	Working capital
Maturity date:	31/12/2025
Interest rate:	13%
Balance as of 31.12.2025:	principal – KBGN 320 interest – KBGN 3 (current)
Balance as of 31.12.2024:	principal – 0

Loan agreement**Ox Company PLTD**

Agreed amount:	KBGN 2 500
Purpose of the loans:	Working capital
Maturity date:	31/12/2025
Interest rate:	12%
Balance as of 31.12.2025:	principal – KBGN 500 interest – KBGN 161 (current)
Balance as of 31.12.2024:	principal – KBGN 2 420

36.2. Payables to related parties

	2025 KBGN	2024 KBGN
Payables to related suppliers	33	
Current payables to shareholders- distributed dividend	13	9
Total amount	46	9

36.3. Related party transactions

	2025 KBGN	2024 KBGN
Reported income/expenses on interest with parent company, subsidiaries and other related parties		
Interest expense on right-of-use asset of other related parties	17	37
Interest income from owner company	96	127
Interest income from subsidiaries	12	
Interest income from other related companies – Ox Company PLTD	341	
	2025 KBGN	2024 KBGN

Reported trading expenses - subsidiary and other related parties

Brigade and Co. LTD – advertising services expense	50	12
Ox company PLTD – accounting services	396	
Republic Holding JSC - office lease agreement, parking lot lease, services and overhead expenses under lease agreement	327	329
Klear Lending JSC (subsidiary) – expense on credit mediation	5	

Remuneration of Board Members and Executive Directors

	<i>2025</i> <i>KBGN</i>	<i>2024</i> <i>KBGN</i>
Remuneration of Board Members and Executive Directors	747	644
Under labour contracts	247	

37. MACROECONOMIC ENVIRONMENT

The macroeconomic environment includes key factors that explain the state of the economy on a broad scale. The economic activity in the country and in particular in the Fintech sector are strongly influenced by key factors related to the labor market, inflation, the monetary sector and interest rates, the regulatory framework, etc.

- **Labor Market** – According to information from the Bulgarian National Bank, labour market conditions remained tight in 2025. Employment growth was approximately 1.8% in 2025 and is expected to slow to 0.7% in 2026 and 0.2% in 2027 as a result of the ongoing adverse demographic trends in the country. At the same time, according to the forecasts in a report by the Bulgarian National Bank from January 2026, the unemployment rate is expected to gradually decline from 3.6% in 2025 to 3.4% in 2026 and 3.1% in 2027, reflecting both the projected real GDP growth and the decreasing working-age population.
Wage growth is expected to remain broadly in line with inflation or be influenced by non-market factors (such as increases in the minimum wage and public sector salaries).
The adoption of AI is expected to contribute to a slowdown in hiring, particularly for junior specialists.
A trend of declining remote work has also been observed, with companies increasingly aiming to concentrate their workforce in offices in order to improve efficiency.
- **Inflation** - In December 2025, monthly inflation measured by the Consumer Price Index (CPI) was 0.1%, while annual inflation for December 2025 compared to December 2024 was 5.0%. Average annual inflation for the period January 2025 – December 2025 compared to the period January 2024 – December 2024 was 4.6%.

The main pro-inflationary factors in 2025 were related to domestic dynamics, including rising labor costs and strong growth in private consumption, which allowed producers to fully pass increased production costs on to final consumers, as well as higher administratively regulated prices for certain goods, services, and tobacco products. At the same time, the external environment had a moderating effect on inflation due to the expected decline in energy product prices on international markets.

In 2026, the rate of increase in consumer prices is expected to slow slightly to 3.6% by the end of the year (3.5% on average for the year). Inflation in services is expected to remain relatively high and to make the largest contribution to overall inflation as a result of the projected growth in private consumption and the continued tight conditions in the labor market, with the increasing shortage of labor in the country continuing to put upward pressure on companies' labor costs. From the second quarter of 2026, services inflation is expected to accelerate, partly due to a base

effect related to the reduction in the price of hospital services and the fee for issuing personal identification documents in April 2025.

- **Monetary sector and interest rates** – During the fourth quarter of 2025 and the beginning of 2026 there is a more intensive depositing of available cash into bank accounts by non-finance companies and households. The reason is the conversion into Euro. The high liquidity of the banking system has also been influenced by the release of a considerable part of the obligatory minimal commercial bank reserves after Bulgaria joined the Eurozone at the beginning of 2026. As a result of these processes BNB forecasts that by the end of 2026 the interest rates on newly-concluded term deposits for the non-government sector to remain without significant changes in comparison to the levels reached by the third quarter of 2025. In the medium term, the transmission of the ECB's monetary policy to the Bulgarian economy can be expected to strengthen, with a tendency for interest rates on borrowed funds to gradually approach the euro area average. Interest rates on new loans to non-financial corporations will continue to decline until mid-2026, after which they will begin to gradually increase in line with market expectations for the dynamics of short-term interest rates in the euro area.
- **Regulatory framework** - It is important for the Bulgarian fintech business to monitor the evolving regulatory environment. Given the development of artificial intelligence and machine learning, regulators are expected to pay attention to regulations in the field of data protection and privacy, risk management and cybersecurity. REGULATION (EU) 2022/2554 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 (DORA), which establishes a comprehensive framework to ensure the operational resilience of digital systems in the financial sector, entered into force on 17 January 2025. Companies subject to this act are expected to take various actions to comply with the requirements.
- **Political stability** - The condition of public finances in the coming periods will be closely linked to the stability of the political situation in the country. A predictable and stable political environment is a key factor for maintaining confidence in the economic and fiscal policy. Despite the protest actions at the end of 2025 and the subsequent fall of the government, there has so far been no significant deterioration in the macroeconomic stability or in the main fiscal indicators. The institutional framework and the commitments undertaken regarding fiscal discipline and European integration remain in place, supporting expectations for the relative sustainability of public finances in the medium term.
- **Euro adoption** - Following the official confirmation of Bulgaria's accession to the euro area with an adoption date of 1 January 2026, the economic and financial environment in the last quarter of 2025 was significantly influenced by the upcoming currency transition. The decision was adopted based on the successful fulfillment of all Maastricht criteria, including low inflation, sustainable public finances, and long-term economic stability. According to the macroeconomic report of the Bulgarian National Bank (BNB), as a result of the forthcoming accession of Bulgaria to the euro area, annual deposit growth is expected to accelerate during the second half of 2025, mainly due to the anticipated increase in the deposit of available cash balances in the banking system for the purpose of subsequent conversion into euro. At the same time, Bulgaria's accession to the euro area is expected to strengthen the transmission of the European Central Bank's (ECB) monetary policy to domestic monetary conditions. Annual credit growth to the non-government sector is projected to follow a moderating trend but to remain relatively high during the period 2025–2027.

The accession to the euro area will have a direct and long-term impact on the financial sector, including non-bank lending institutions:

- Elimination of currency risk and reduction of transaction costs, particularly for international transfers and financing in euro.

- Improved financing opportunities – access to capital markets at a lower cost of funding and greater predictability in the ECB's interest rate policy.
- Increased confidence from investors and creditors, including with regard to the long-term stability of the sector.

In the context of this transition, ITF Group JSC successfully adapts its internal systems, currency-related processes, and client communication in order to ensure a smooth transition to the euro at the beginning of 2026.

38. FINANCIAL RISK MANAGEMENT

Structure of financial assets and liabilities by category:

	31 December 2025		31 December 2024
	KBGN	Note	KBGN
Financial assets incl.			
Granted loans	47 838	20	32 813
Receivables from related parties	1 996	36	1 162
Other receivables	607	2,22,23	507
Cash and cash equivalents	5 678	24	3 222
Total	56 119		37 704
Financial liabilities incl.			
Payables for bond issue	24 335	26	9 726
Payables to non-related parties for received loans	1 109	28,33	2 083
Payables to related parties	46	36	9
Lease	317	28	634
Trade payables	71	29	150
Payables to Peer to Peer platforms	15 009	32	12 377
Other financial liabilities	131	34	223
Total	41 018		25 202

In the course of its usual business, the company may be exposed to different financial risks, the most significant of which are: market risk (including currency risk, risk of change of fair value and price risk), credit risk, liquidity risk, and risk of interest-bound cash flows.

The general risk management focuses on the difficulties to make forecasts for the financial markets and to achieve minimum potential adverse effects that might affect the Company's financial performance and position. The financial risks are identified, measured and monitored on an ongoing basis by means of various controls, in order to determine adequate prices of the Company's products, to adequately evaluate the forms of maintaining free liquid funds, not allowing unreasonable concentration of a particular risk.

Risks are managed on an ongoing basis under the direct supervision of the Board of Directors and the financial officers of the Company.

The different types of risks the Company is exposed to while performing its business operations, as well as the approach adopted for the management of these risks are summarised below:

A. Market risks

The Company is not exposed to market risk, where the fair value or future cash flows of financial instruments may vary due to changes in market prices.

B. Currency risk

The Company's activities are mainly in Bulgarian levs. The company is not exposed to currency risk since foreign currency payments to suppliers are settled in Euro, the exchange rate of which is fixed, therefore the Company is not exposed to currency risk. According to Decision (EU) 2025/1407 of the Council of the European Union of 8 July 2025 on the adoption of the Euro by Bulgaria, the country will join the Euro area on 1 January 2026.

C. Credit risk

The credit risk is the risk of Company's customers not being able to pay their outstanding amounts in full or within the usually fixed deadlines.

The Company is exposed to this risk in connection to its credit portfolio. The increased costs of living and of servicing already existing loans may decrease customers' ability to pay their liabilities on time.

The basic principles of the Company's credit risk management are set out in its credit policy and related procedures. These documents are reviewed on an ongoing basis and are implemented or amended as necessary. The main body that determines and/or amends the policy is the Board of Directors.

The Board of Directors defines and approves the risk profile of the new credit products and the introduction of parameters used for potential customer assessment for determining the probability of loan repayment by the customer.

Due to the extensive and ever growing number of borrowers, the credit risk management is connected to grouping the customers based on criteria connected to the individual borrower, the group of borrowers, the geographic unit and other criteria for portfolio diversification. Each client is grouped into a certain category for risk estimate based on the above-mentioned criteria, and certain credit limits apply to each category. The Company also categorizes its loan receivables based on their maturity and the management's assessment of expected payments on loan receivables. The customer behavior, which is expressed in a significant level of early repayment of the agreed maturity, limits the effective credit risk associated with long-term exposures.

In order to manage the risk of non-current (long-term) receivables, the Management applies the following measures:

- regular monitoring of the portfolio with a focus on loans with a term of over 12 months;
- applying stricter criteria when approving customers for longer-term products;
- periodic review of expected credit losses according to the IFRS 9 impairment model.

Three major components are considered when measuring the credit risk:

- the probability of a customer's failure to fulfil their obligations under the agreed parameters, based on historic data (for traditional customers - borrowers);
- the current exposure to the customer and its probable future development giving rise to a possible failure to perform their obligations;
- the possible percentage of recovery of outstanding obligations.

In addition to the above three major components, the Board of Directors monitors an average ratio of outstanding loans determined on the basis of historic data since the establishment of the Company until today, with regard to the different groups of loans (loan to salary, loan by instalments).

The Company's exposure to credit risk is limited to the balance value of the financial assets, acknowledged at the end of the financial period, as stated below:

	<i>31 December 25</i>		<i>31 Dec24</i>
	<i>KBGN</i>		<i>KBGN</i>
Cash and cash equivalents	5 678	24	3 222
Loans granted to customers	47 838	20	32 813
Other current and non-current assets	2 603	21,22,23,36	1 669
	56 119		37 704

The Company's management believes that all financial assets mentioned above that have not been impaired or have matured during the presented reporting periods, are financial assets with good credit rating.

The credit risk in terms of cash and cash equivalents is considered minor, since our counterparties are reputable banks with high external credit rating.

The quality of the company's credit portfolio is disclosed in Appendix 18.

The Company regularly monitors the performance of the obligations of its customers and other counterparties identified on an individual basis or as a group, and uses this information to control the credit risk.

The Company applies additional measures in order to limit the credit risk and minimise the eventual negative effects on its business as a whole.

Furthermore, the Company is committed to be socially responsible and to give its customers the opportunity to cope successfully with their financial obligations. To this end, the Company has designed a liability renegotiation policy, which allows deferment of current liabilities within reasonable time periods. The Company regularly observes the impact of the renegotiation policy and monitors customers with renegotiated loans on an individual basis.

D. Liquidity risk

The liquidity risk is the negative situation in which the company would not be able to meet unconditionally its liabilities according to their maturity. The financial director monitors the maturity and the timely settlement of payments on an ongoing basis. There is daily information about available cash flows and forthcoming payments.

The Company meets its needs of liquid funds by carefully monitoring the payments of its financial liabilities, as well as the cash inflows and outflows occurring in the course of its operating activity. The needs for liquid funds are monitored for different time periods – on a daily basis, on a weekly basis, as well as based on 30 days' forecasts. The needs for liquid funds in a long-term aspect for periods of 180 and 360 days are determined on a monthly basis.

For the purposes of the liquidity risk assessment and management, the Company takes into account the expected cash flows from financial instruments, in particular, the available cash and short-term receivables from customers. The Company monitors regularly the maturity of its financial obligations and plans its cash flows in advance. The available cash and short-term receivables from customers do not exceed the current needs for cash outflow.

The deterioration of economic conditions, caused by the events that affected the overall macroeconomic situation in Bulgaria and in the world in 2025, results in a decrease of households' income and in difficulties to settle their financial obligations on an ongoing basis. For the purposes of maintaining reasonable liquidity levels and in order to avoid situations in which the Company's receivables collection rate would significantly decrease, the Company monitors the liquidity on a daily basis and maintains reasonable levels of cash, enabling it to cover its operating liabilities on an ongoing basis.

The company has developed appropriate procedures for collecting receivables and monitors early

indicators, enabling accurate forecasting of future cash inflows.

The funds for long-term liquidity needs are ensured through borrowings and cash from the Company's operating activities.

As of December 31, 2025, the maturities of the Company's contractual obligations (containing interest payments, where applicable) are summarized as follows:

31 December 2025	Up to 6 months	Between 6 and 12 months	From 1 to 5 years
	KBGN	KBGN	KBGN
Borrowing payables		662	493
Lease payables	126	126	65
Bond issue payables	807	1 771	21 757
Trade payables	71	-	-
Payables to Peer to Peer platforms	-	15 009	-
Other payables	131	-	-
TOTAL	1 135	17 568	22 315

E. Risk of interest rate changes

The cash flows related to the risk of change in interest rates determine the risk for future cash flows from financial assets to vary due to a change of interest rate market levels. Despite the increase of interest rates in the bank sector, this risk is controlled for the Company due to the maintained higher prices of the provided credit resource, typical for this type of lending to individuals. The Company does not apply a policy of variable interest rates when receiving and providing loans.

F. Capital risk management

The purpose of the Company's capital management is to establish and maintain opportunities to continue operating as a going concern in order to ensure the required return of the owner's investments in their business, as well as to maintain an optimal capital structure in order to reduce capital costs.

The company monitors the capital availability and structure on an ongoing basis by observing a debt ratio, being the ratio between net debt (the difference between borrowings and cash) and the total capital of the Company.

The debt ratio is summarised below by years:

	31 December 2025	31 December 2024
	KBGN	KBGN
Total debt capital	41 018	25 338
Cash and cash equivalents	(5 678)	(3 222)
Net debt capital	35 340	22 116
Total equity	17 664	13 406
Debt ratio	2.00	1.65

39. FAIR VALUES

The financial assets held by the Company are mainly short-term loan receivables and cash in current bank accounts; therefore, it is assumed that their carrying amount is approximately equal to their fair value.

The cash flows associated with the risk of changes in interest rates determine the risk of future cash flows of financial assets fluctuating due to changes in market interest rate levels. Despite the increase in interest rates in the banking sector, this risk is controlled for the Company due to the higher prices of the credit resource typical for this type of lending to individuals. The company does not apply the policy for variable interest rates in borrowing and granting of loans.

The financial liabilities held by the Company are mainly of long-term nature and comprise issued bonds, accounts payable and borrowing liabilities; therefore, it is assumed that their carrying amount is equal to their fair value.

We have requested an estimate of the fair (market) value of the internally acquired long-term intangible assets to be made by a licenced valuer with appropriate qualifications. The management of the Company considers that there are no indications for impairment of the internally acquired long-term intangible assets.

The company's management believes that, under the existing circumstances, the estimates of financial assets and liabilities presented in the statement of financial position are as reliable, adequate and credible as possible for financial reporting purposes.

40. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Company has granted collaterals in the form of a pledge on its own receivables and has received collateral comprising real estate of related parties (see annex 20.3, 26).

The Company is a guarantor under the office lease agreement with Republic Holding JSC for a period of five years and reports blocked cash for a bank guarantee issued for the execution of an office lease contract. The guarantor for the bank guarantee is Unicredit Bulbank JSC. The bank guarantee is valid until 07.08.2026 (see Appendix 24).

The Company is a co-debtor in a framework contract for a loan from September 2022. The deadline for the payment of all due amounts is September 2032. In compliance with the Financial Collateral Agreements Act a receivables pledge for the amount of BGN 2 500 thousand has been set up as a collateral for the framework contract. The obligation of the debtor at the end of the accounting period amounts to KBGN 1 747 thousand (see annex 20.3).

During the period, minor legal claims from 394 individuals to the amount of KBGN 81 were brought against the Company. The Company's management believes that the claims are unreasonable and the probability for them to result in settlement costs for the Company is low.

The company is a party to legal, arbitration and enforcement cases filed against 939 borrowers. The total amount of the claims is KBGN 1 853, while the average amount of these claims is KBGN 1,97. The total amount of the claims is lower than 10 percent of the equity as of 31.12.2025.

Tax payables

The latest tax audits of the Company were carried out by the tax administration as follows:

- Corporate tax – until December 31, 2018;
- Social Security – October 2012 – March 2020;
- Compliance with labor and social security legislation – 01.01.2020 – 31.12.2022.

41. EVENTS AFTER THE DATE OF THE ANNUAL INDIVIDUAL FINANCIAL STATEMENTS

No adjusting events have occurred between the date of the individual financial statements and the date of their approval for issue, with the exception of:

In January 2026, the Company entered into a bank loan agreement. The total loan amount is up to EUR 5,000,000 (five million), which will be drawn down in stages, in tranches. The loan carries an annual interest rate of 11%, with a maturity of 4 years for each individual tranche. The financing obtained will be used to increase the loan portfolio and to support the sustainable growth of the Company's core business activities.

According to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective from 1 January 2026, the euro becomes the official currency and legal tender in the Republic of Bulgaria. The fixed exchange rate is BGN 1.95583 for EUR 1. The introduction of the euro as the official currency in the Republic of Bulgaria represents a change in the functional currency, which will be accounted for prospectively and does not represent an adjusting event after the reporting date.

Since late February, tensions related to the conflict in Iran have escalated, contributing to increased geopolitical uncertainty in the region and globally. The potential consequences of these events include increased volatility in energy markets, additional fluctuations in the macroeconomic environment and increased uncertainty about future economic conditions. The management is monitoring the situation and has taken into account the available information in the preparation of accounting estimates and assumptions; currently, no need for adjustments to the financial statements has been identified, beyond the disclosures made.

JSC was converted to 1,785,000 euros, distributed into 3,500,000 ordinary, registered, dematerialized shares with voting rights and with a nominal value of 0.51 euro.

42. APPROVAL OF THE ANNUAL INDIVIDUAL FINANCIAL STATEMENTS

The individual financial statements as at 31 December 2025 (including the comparative information) were approved by the Board of Directors on 30th March 2026.