EVER FINANCIAL AD

DISCLOSURE OF INFORMATION AS OF 31 DECEMBER 2024,

PURSUANT TO THE REQUIREMENTS OF REGULATION (EU) 2019/2033, ORDINANCE NO. 50 ON CAPITAL ADEQUACY, LIQUIDITY OF INVESTMENT FIRMS AND SUPERVISION OF COMPLIANCE THEREOF AND MARKETS IN FINANCIAL INSTRUMENTS ACT

Disclosure reference date: 31 December 2024

Reference period: 2024

Disclosure date: 31 March 2025

Name of disclosing institution: Ever Financial AD.

UIC: 831649724.

Reporting currency: BGN

Accounting standard used: IAS

Means of disclosure: the websites of Ever Financial AD.

I. General Information

Ever Financial AD (hereinafter referred to as "IF" or "the Company"), is a company entered in the register of investment firms kept by the Financial Supervision Commission (hereinafter referred to as "FSC" or "the Commission"), operating as an investment firm on the basis of License No. РГ-03-0008/17.10.2022 issued by the Financial Supervision Commission.

II. General Disclosure Principles

Public disclosure requirements are defined in Regulation (EU) 2019/2033 in order to present key risk indicators and the methods to manage them. The requirements for public disclosure of regulatory data help to improve market discipline, focusing both on the requirements for measuring credit, market and operational risk and on other disclosures of additional information supporting early identification of risks.

III. Risk Management Objectives and Policies

Ever Financial AD shall disclose its risk management objectives and policies for each separate category of risk set out in Parts Three, Four and Five of Regulation (EU) 2019/2033, including a summary of the strategies and processes to manage those risks and a concise risk statement approved by the investment firm’s management body and which briefly describes the investment firm’s overall risk profile associated with the business strategy.

Risk management is a function covering all activities in Ever Financial AD. The overall identification, measurement, monitoring and control of all risks significant to the Company and the timely information of management to support management decision-making shall be carried out through effective internal policies, rules and methodologies. Ever Financial AD has Risk Management Rules, Recovery Plan, Administrative and Accounting Procedures for Internal Capital Assessment (part of the Risk Management Rules) prepared and adopted by the Board of Directors, as well as other internal company documents dealing with individual issues related to the risks associated with the IF's activities, procedures and systems.

The risk management strategy in Ever Financial AD is a key element in its management. Its purpose is to define the types of risks, the risk profile of the Company and its risk appetite, as well as the organizational structure and distribution of levels of responsibility for risk management.

In determining its risk profile, the Company is guided by its objectives and understanding of the development of investment intermediation business, its financial capabilities to achieve the goals set, as well as the risk appetite and the experience and knowledge it has gained in this regard. Based on the fact that each risk requires both financial resources and potential (human, program, etc.) for its management, when taking risks, the Company positions itself according to its resources and capabilities, on the one hand, and, on the other hand, according to its notions of profit-making potential

The IF monitors the values of COH, CMH, ASA on a daily basis. These are figures that the company cannot influence because they depend on the customers' will. In order to manage the risks associated with these items and to comply with capital requirements, the IF may influence the values of other risk exposures related to the risk to the market and the risk of the company. Due to the specifics of the calculation of the capital requirements under Regulation (EU) 2019/2033 related to determining the values of the risk positions for risks to the customer at the beginning of each month and excluding the values of the positions for the last three most recent months from the total value of the risk positions, the IF has at least one to three months to take action to manage the risk exposures for the risks to the market and the risks of the company.

According to the current Risk Management Rules, the Company shall monitor, assess, report, and reduce the following risks:

- market risk
- credit and counterparty risk, including from large exposures
- operational risk
- legal risk
- reputational risk
- business risk
- positional risk (general and specific)
- commodities risk
- concentration risk
- liquidity risk
- currency risk
- interest rate risk
- securitization risk
- risk of excessive leverage
- residual risk

Risks identification and management is related to the overall organizational structure established in the Company's Internal Organization Rules, which comprises both the Board of Directors and the specialized Risk Management Department, as well as all employees working under a contract for the investment firm. According to the Company's Internal Organization Rules, in addition to the specialized Risk Management Department that has exclusive functions on risk management, each unit (department) is involved in both the identification and management of risks in order to assist in the detection and resolution of issues concerning the identification of risks for the IF, the participation and contribution of all employees.

The Board of Directors at the IF has the following responsibilities for identifying and managing risks:

- To adopt the relevant rules, procedures, policies, plans, measures, strategies, etc. required by Ordinance No. 50 and Regulation (EU) No. 575/2013 concerning monitoring, assessment and management of the various types of risks to which the investment firm is exposed and the risk in general, and to monitor their updating, including to approve the implementation of the strategic objectives of the investment firm and the strategy on risk and internal governance;
- To adopt and update, within the timeframes stipulated therein and the statutory instruments, all internal acts of the IF;
- To control the risk factors for the investment firm and to be responsible for risk management and control.
- To adopt resolutions on staffing, software and other support for risk management activities.
- To periodically assess the effectiveness of the management systems in the investment firm, and if necessary, take the appropriate measures to eliminate the identified deficiencies;
- To adopt resolutions on staffing, material, technical and methodological support for risk management activities.

The Head of Risk Management has the following responsibilities:

- to implement the policy, procedures, measures and mechanisms under the current Risk Management Rules;

- to monitor and evaluate how the measures, procedures and mechanisms provided for in the Risk Management Rules are implemented;

- to ensure the identification, measurement and proper reporting of all material risks associated with the activities of the investment firm;

- to actively participate in the development of the IF’s strategy for assuming and managing the risks and in making decisions related to the management of all significant risks. It must at all times be able to provide a comprehensive overview of all the risks to which the investment firm is exposed;

- to report directly to the Executive Director in cases where the development of a specific risk affects or may affect the IF.

IV. Information on the Management of the Investment Firm

a) the number of directorships held by members of the management body;

According to the Internal Organization Rules of the IF, the main management body of the IF is the Board of Directors (BoD), which acts collectively. The Board of Directors consists of three members - Rosen

Georgiev Karadzhov, Nelina Stefanova Mechkova and Irina Nedkova Hristova-Stankova. The Executive Director Rosen Karadzhov and the procurator Plamen Peychev, who act jointly, shall carry out operational management and internal coordination of the II.

b) the policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved;

Ever Financial AD has adopted a policy to promote diversity within the management body, which is part of the policy regarding the suitability of the members of the management body of the IF. The Company recognizes the importance and promotes diversity in the management body, considering it a necessary condition and guarantee for good governance and progress of the Company and striving to maintain and enhance it. The Company considers diversity in the management body as one of the criteria for the selection of members of this body, and the Company's primary objective in planning and carrying out the selection and appointment of a member of the management body is to seek to attract such new members in the management body the qualifications, qualities and competences of whom will ensure that the management body as a whole is sufficiently diverse. The Company, in the implementation of the diversity promotion policy, is based on the following principles:

- all applicants have equal opportunities and should be treated without any discrimination in terms of gender, marital status, age, disability, sexual orientation, race, religion, etc.;
- all applicants are given equal opportunities to demonstrate their knowledge, skills and experience;
- in the selection of applicants, each application and each applicant should be evaluated as objectively, impartially and professionally as possible;

The implementation of the diversity promotion policy is based on the following principles regarding the representatives of the underrepresented gender in the management body:

- equal opportunities for women and men that are members of the management body;
- equal access of women and men that are members of the management body to the resources of the Company;
- equal treatment of women and men that are members of the management body and non-discrimination based on gender in the Company;
- balanced representation of women and men in the management body of the Company;
- equal pay for women and men that are members of the management body.

It is a strategic objective of the Company to promote equality between women and men in the management body and to prevent discrimination based on gender and, if found to exist, to eliminate it. Ever Financial AD believes that the effective and sustainable development of the Company can be achieved by providing conditions for the growth and personal development of female employees on the same terms and conditions as their male colleagues, both when it comes to members of the management body, and when it comes to regular employees of the Company. Ever Financial AD sets as an objective that the representation of both genders for the management body will be equal /50:50/. Nevertheless, the Company accepts that it is possible for the composition of the management body to undergo changes, given that it stipulates that the representation of the under-represented gender may not be less than 25% (twenty-five percent), and the objective is again to achieve a 50:50 gender ratio. At present, Ever Financial AD considers this objective to have been met.

Despite the abovementioned policy to increase the number of representatives of the underrepresented gender in the management body to achieve the aforesaid objective, the Company considers that the

choice for the appointment of a new member of the BoA cannot be based solely on his or her gender for the purposes of increasing diversity on the management body, given that such practices could affect the other suitability criteria that the member must meet, and that such practices have the effect of undermining the competence and independence of the member and the management body as a whole and affect the functioning and collective suitability of the management body.

c) information whether the investment firm has established a separate risk committee and how many times per year that committee has met:

To date, the IF has not established a separate risk committee.

V. Equity

a) a full reconciliation of the items of Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital and the relevant filters and deductions applied to the equity of the investment firm with the balance sheet according to the investment firm's audited financial statements:

a completed form according to a template is attached.

b) a description of the main characteristics of the Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments issued by the investment firm:

a completed form according to a template is attached.

a description of all restrictions applied to the calculation of equity in accordance with this Regulation, and of the instruments and deductions to which those restrictions apply;

Equity for regulatory purposes consists of Tier 1 capital with the following items: fixed capital, legal reserves, prior period profit less the carrying value of intangible assets and the value of the investment firm's interests in financial sector entities that are included in book capital or assets, but are treated differently to regulate capital adequacy.

The internal capital constitutes the financial resources (reserves set aside) necessary to cover the risks associated with the overall activity of the investment firm.

The amount of the required internal capital of the investment firm is formed by the following elements:

1. the amount needed to cover capital requirements for risks to customers;

2. the amount needed to cover capital requirements for market risks;

3. the amount needed to cover the capital requirements for the risks to the Company itself;

The amounts of internal capital for each of the above risks are obtained by multiplying the total risk position for each risk by the relevant percentage of capital requirement specified in Regulation (EU) 2019/2033 on prudential requirements for investment firms.

Each of the activities carried out by the IF entails the assumption of risks, with the capital requirements for each type of risk set out in Regulation (EU) 2019/2033, for each type of risk. Where limits are in place on the amount of equity capital available, the IF determines how far it will extend in the activities it performs in order to have at least the minimum required equity capital and to comply with the percentage ratios of its total risk exposure calculated in accordance with the requirements of Regulation (EU) 2019/2033. In other words, the IF's internal capital is a function of its risk profile.

2.2 The amount of internal capital required depends both on the current activity of the investment firm and on its activity in previous periods, since for certain risks the calculations are based on data from previous periods.

VI. Capital Requirements

Calculation of the internal capital shall be carried out in accordance with the provisions of Ordinance No. 50 and Regulation (EU) 2019/2033. Monitoring and calculation of capital requirements for different types of risk is based on the records recorded in the Company's information and accounting system and the criteria established to maintain the value, types and allocation of internal capital. The amount of internal capital is calculated on a daily basis by the Accounting Department in accordance with the legal provisions contained in ordinances and regulations and the data on the individual lines of business of the investment firm for which the allocation of financial resources is required.

	K-factor (BGN)	**Capital requirement**
GENERAL REQUIREMENT BASED ON K-FACTORS		**15 006.66**
Risk to customers		**1 938.01**
Assets under management	0.00	0.00
Customer cash held – on segregated accounts	460 072.20	1 840.29
Customer cash held - on non-segregated accounts	8 106.42	40.53
Assets held and administered	142 973.80	57.19
Executed customer orders - cash payment transactions	0.00	0.00
Executed customer orders - derivative transactions	0.00	0.00
Market risks		**9 319.02**
K-factor requirement for the risk in relation to net positions		9 319.02
Risks for the investment firm		**3 749.64**
Failure of a counterparty under a transaction		
Daily transaction flow - cash payments transactions	0.00	0.00
Daily transaction flow - derivative transactions	37496362.54	3 749.64

As of 31 December 2024, the total amount of the K-factor requirement is BGN 15,006.66

As of 31 December 2024, the fixed overheads requirement is BGN 48,575.71

As of 31 December 2024, the permanent minimum capital requirement is BGN 1,466,872.50.

Pursuant to Article 11 of Regulation (EU) 2019/2033, the capital requirement for the investment firm is defined as the highest of the following: the K-factor requirement, the fixed overheads requirement and the permanent minimum capital requirement. As of 31 December 2024, this is the capital requirement, based on the permanent minimum capital, amounting to BGN 1,466,872.50.

VII. Remuneration Policy and Practice

Ever Financial AD has a remuneration policy in place and in operation aimed at complying with the following basic principles:

1. ensuring reliable and effective risk management and not encouraging risk-taking that exceeds the levels acceptable to the investment firm;

2. ensuring compliance with the strategy, objectives, values and long-term interests of the investment firm and implementing measures to avoid conflicts of interest.

The remuneration policy concerns both senior management and employees performing control functions and those whose remuneration is commensurate with the remuneration of senior management and employees with control functions and whose activity has a significant impact on the risk profile of the investment firm.

Remuneration under applicable regulations is divided into permanent and variable.

Permanent remuneration constitutes payments that are determined depending on the professional experience and functional responsibilities of the position indicated in the job description of the employee as part of the terms and conditions of the employment contract, or in the management contract, and corresponds to the objectives of the position, hierarchical level and other factors for the provision of professional service defined by the job description or a range of functions.

Variable remuneration constitutes additional payments or incentives that are tied to the permanent result of the activity and tailored to the risks assumed, as well as to performance in excess of the requirements specified in the job description of the employee as part of the terms and conditions of the employment contract, or in the management contract.

The Board of Directors of Ever Financial AD, in accordance with the Remuneration Policy, determines only permanent remuneration, which is individualized in the employment contracts of the persons working for it. The remuneration of the members of the Board of Directors shall be determined in their management contracts, and of the procurator – in the procura agreement. Currently, the IF does not pay or determine variable remuneration and does not provide benefits related to retirement.

The IF discloses the following information on its remuneration policy and practice — including aspects of gender neutrality and the gender pay gap — for those categories of staff whose professional activities have a material impact on their risk profile:

a) the most important structural features of the remuneration system, including the level of variable remuneration and the criteria for the provision of variable remuneration, the policy for payment of remuneration in the form of instruments, the policy for deferral of payments and the criteria for acquisition of rights:

In 2024, Ever Financial AD did not pay variable remuneration.

b) the ratios between fixed and variable remuneration determined in accordance with Article 30 (2) of Directive (EU) 2019/2034:

In 2024, Ever Financial AD did not pay variable remuneration.

c) aggregated quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the investment firm, indicating the following:

(i) the amounts of remuneration awarded in the financial year, split into fixed remuneration, including a description of the fixed components, and variable remuneration, and the number of beneficiaries:

in BGN thousand

Type of activities	Staff category	Number of employees	Remuneration for 2023		Amount and type of variable remuneration				Unpaid deferred remuneration		Amount of deferred remuneration awarded in 2023 that is paid out and reduced through performance adjustments
			Fixed remuneration	Variable remuneration	Cash	Assets	Share linked instruments	Other	Obtained	To be obtained	
Trade in financial instruments	Senior management	2	23		-				-		-
Trade in financial instruments	Employees whose activity has a significant impact on the risk profile of the investment firm	3	74		-				-		-

- senior management: 2 beneficiaries; permanent remuneration of BGN 23 thousand; no variable remuneration has been paid;

- employees having an impact on the risk profile: 3 beneficiaries; permanent remuneration of BGN 74 thousand; no variable remuneration has been paid.

In 2024, there were no persons who received a remuneration of EUR 1 million or more.

(ii) the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and for the deferred part:

In 2024, Ever Financial AD did not pay variable remuneration.

iii) the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent year;

In 2024, Ever Financial AD did not defer the payment of remuneration.

(iv) the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments:

In 2024, Ever Financial AD did not defer the payment of remuneration.

v) the guaranteed variable remuneration awards during the financial year and the number of beneficiaries of those awards:

In 2024, Ever Financial AD did not pay variable remuneration.

(vi) the severance payments awarded in previous periods, that have been paid out during the financial year;

In 2024, Ever Financial AD did not pay any compensation.

(vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and the highest payment that has been awarded to a single person;

In 2024, Ever Financial AD did not pay any compensation.

(d) information on whether the investment firm benefits from a derogation laid down in Article 32(4) of Directive (EU) 2019/2034:

In 2024, Ever Financial AD did not benefit from a derogation provided for in Article 32 (4) of Directive (EU) 2019/2034.

VIII. Investment Policy

The information under this section shall be disclosed by investment firms that do not meet the criteria referred to in Article 32 (4) (a) of Directive (EU) 2019/2034. As of 31 December 2024, Ever Financial AD meets these criteria.

IX. Environmental, Social and Governance Risks.

The information under this section shall be disclosed with effect from 26 December 2022 by investment firms that do not meet the criteria referred to in Article 32 (4) (a) of Directive (EU) 2019/2034. As of 31 December 2024, Ever Financial AD meets these criteria.

The information set out above has been verified and approved by the managers of Ever Financial AD.

31 March 2025