

Annual Management Report
Independent Auditor's Report
Financial Statements

Mutual Fund Advance Invest

31 December 2024

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ANNUAL MANAGEMENT REPORT OF MUTUAL FUND ADVANCE INVEST FOR 2024

1. Development, operating results and status of the mutual fund, description of main risks

1.1. Registration and licensing

MF Advance Invest (The Fund) with UIC 131187474 is an open-ended collective investment undertaking, operating on a risk-sharing basis.

The Fund invests in securities by raising money through public offering of its own units. The overall activities of the Fund are administered by the Management Company Karoll Capital Management EAD.

The Fund was established as an open-ended investment company in October 2003 and was registered in Bulgaria by Decision №1 of 21 January 2004 of the Sofia City Court. The Fund is registered in the Commercial Register with 2,050,000 ordinary registered shares with voting rights, with a nominal value of BGN 1. The Fund was re-registered in the Commercial Register in May 2008 and September 2013. The Fund was authorised to carry out its activities by decision № 561-ID of 22 December 2003 of the FSC, namely: investing in securities with cash raised through public offerings of shares. The public offering for sale and redemption of the Fund's shares over the counter commenced on 10 May 2004.

By decision of the FSC 479 - ID /26.06.2013 the legal form of the Fund was transformed from an open-ended investment company into a mutual fund. The changes are reflected in the Commercial Register. Mutual fund Advance Invest was entered in the register of the FSC under Article 30, Paragraph 1, Item 4 of the FSC Act by Decision 736 - MF /03.10.2013. The Fund's shares are not traded on a regulated stock exchange.

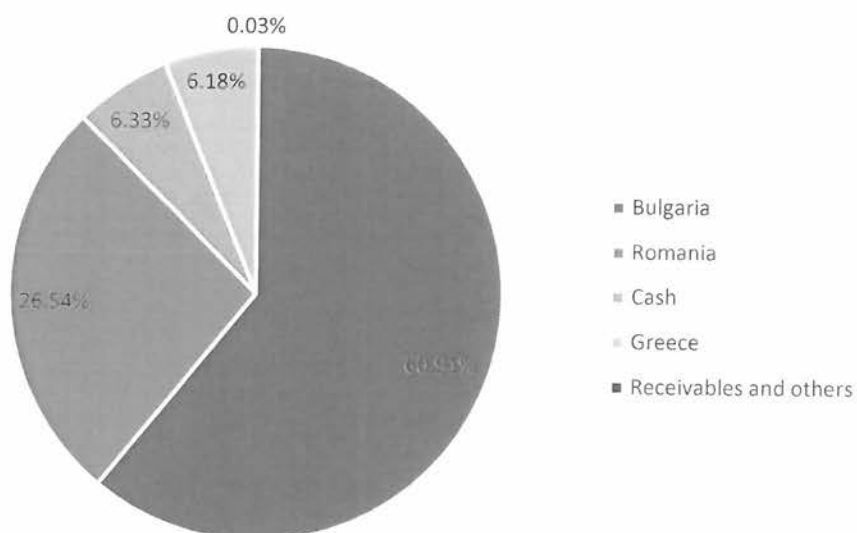
The number of units outstanding as of December 31, 2024, and 2023 amounted to 7,451,205.6108 and 6,534,441.2027, respectively.

The management company has a three-member Board of Directors. The company is represented jointly by the executive director and the procurator. As 31.12.2024 the members of the Board of Directors are: Stanimir Karolev - Chairman of the Board of Directors, Konstantin Prodanov - Deputy Chairman of the Board of Directors and Daniel Ganev – Chief Executive Officer. The sole owner of the Management company's capital is Stanimir Karolev.

1.2. Investment activity in 2024

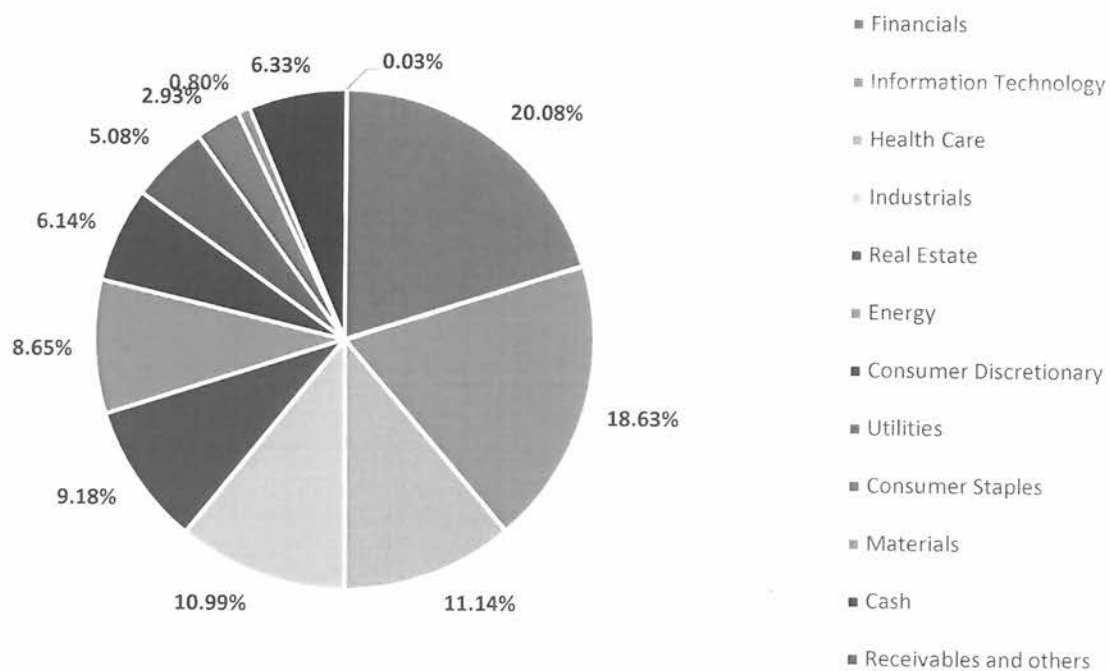
As of 31.12.2024 the distribution of funds between the two markets in which the Fund operates is characterized by a predominance of equities of Bulgarian companies (60.1%), followed by the share of equities of Romanian companies (26.54%). With the objective to improve the liquidity profile of the portfolio, positions in several Greek companies were added in the second half of the year with a total holding of 6.18% at the end of December. The remaining Fund's assets include cash of 6.33% and accounts receivable of 0.04%.

Portfolio of MF Advance Invest as of 31.12.2024.



Portfolio allocation of MF Advance Invest by sectors as of 31.12.2024

As of December 31, 2024, the distribution of the portfolio by sector shows that the fund's three largest sector exposures account for 50% – financial services (20.08%), information technology (18.63%) and healthcare (11.14%).



Leading portfolio positions and share of assets as of 31.12.2024

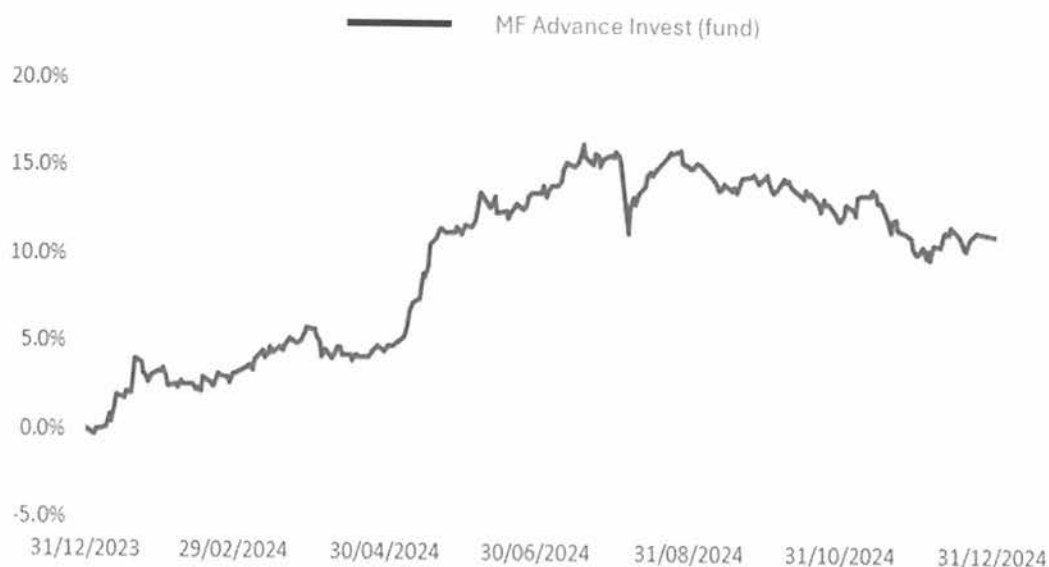
Company:	ISIN:	Currency:	% of assets:
SHELLY GROUP AD	BG1100003166	BGN	7.6%
SOPHARMA AD	BG11SOSOB18	BGN	6.8%
OMV PETROM	ROSNPPACNOR9	BGN	4.5%
SIRMA GROUP HOLDING AD	BG1100032140	RON	4.0%
REAL ESTATE FUND BULGARIA REIT	BG1100001053	BGN	3.9%
AGRIA GROUP HOLDING AD	BG1100085072	RON	3.8%
S.P.E.E.H. HIDROELECTRICA S.A.	RO4Q0Z5RO1B6	BGN	3.7%
ADVANCE TERRAFUND REIT	BG1100025052	BGN	3.5%
BANKA TRANSILVANIA	ROTLVAACNOR1	RON	3.4%
BIANOR HOLDING AD-SOFIA	BG1100007076	BGN	3.0%

1.3. Financial result and comprehensive income for 2024

The financial result of MF Advance Invest as of 31 December 2024 is profit BGN 1,490 thousand (2023: profit BGN 2,046 thousand), formed by:

- Profit from operations with investments BGN 1,539 thousand, (2023.: profit BGN 1,581 thousand),
- Dividend income BGN 423 thousand (2023: BGN 837 thousand),
- Foreign exchange losses BGN 5 thousand (2023.: loss BGN 29 thousand)
- Expenses related to the Fund's activities BGN 467 thousand (2023: BGN 343 thousand) representing 2.89 % of the average annual net asset value. Of these, BGN 405 thousand represent the management fee of the Management Company.

1.4. Changes in the unit price of Advance Invest



The Fund's return over the trailing 12 months to 31 December 2024 is 11.3%. Growth was stronger in the first half of the year, while in the third and fourth quarters many of the key positions in the portfolio damaged the performance. Stocks in the Information Technology sector were clearly the largest positive contributors to annual returns, accounting for about one-third of returns. They were followed by the Financial Services, Energy and Real Estate sectors, with the cumulative contribution of the four

sectors amounting to 80%. Among the key sectors in the portfolio, 'Healthcare' and 'Industrials' lagged with negligible gains between 1%-2%.

Fund returns over longer historical periods remain positive and are presented in annualized form in the following table.

Performance as of 31.12.2024	MF Advance Invest
Since the beginning of the year	+11.33%
3 years (annualized)	+10.63%
5 years (annualized)	+11.71%
Since launch (annualized)	+4.23%

1.5. Expected risks related to the investment portfolio and techniques for their management.

The process of identifying, managing and monitoring the risks in the operating activities of MF Advance Invest aims to reduce the impact of external and internal risk factors on investments, including risks arising from the macroeconomic environment.

Risk management procedures include:

- (a) risk identification.
- (b) risk assessment.
- (c) selection of a risk strategy.
- (d) selection of ways to reduce the level of risk.
- (e) control of the level of risk.

The assessment, analysis and monitoring of risk factors is performed daily by employees in the risk management departments.

The Management Company identifies and measures all risk factors, related to the individual instruments in the portfolio of MF Advance Invest, then measures the total portfolio exposure to these factors and makes decisions on limits, tolerance and risk management at the portfolio level.

The risk factors that have effect on the investments of MF Advance Invest are:

a) **market risk** - the possibility of incurring losses due to adverse changes in securities prices, market interest rates, exchange rates and others. The components of market risk are:

- **interest rate risk** - the risk of a decrease in the value of an investment in a security due to a change in the level of interest rates.
- **currency risk** - the risk of a decrease in the value of an investment in a security or deposit denominated in a currency other than lev and euro due to a change in the exchange rate between that currency and the lev or the euro.
- **price risk** associated with investment in shares or other equity securities – the risk of a decrease in the value of an investment in a security in the event of adverse changes in market price levels.

b) **credit risk** - the possibility of reducing the value of the position in a financial instrument due to unexpected events of credit nature related to the issuers of financial instruments, the counterparty to exchange and over-the-counter transactions, as well as the countries in which they operate;

c) **operational risk** - the possibility of realizing losses related to errors or imperfections in the organization's system, insufficiently qualified staff, adverse external events of a non-financial nature, including legal risk.

d) **liquidity risk** - risk arising from possible losses due to sales of assets in adverse market conditions to meet unexpected short-term obligations.

e) **concentration risk** - the possibility of loss due to improper diversification of exposures to customers, groups of related customers, customers from the same industry, geographical area or arising from the same activity, which may cause significant losses, as well as the risk associated with large indirect credit exposures.

The specific methods and organization for managing the above risks are regulated in the Rules for risk assessment and management of MF Advance Invest.

2. Important post-reporting date events

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

3. Expected future development of the Fund

The outlook for stock indices in the CEE region, including Bulgaria, Romania and Greece, is positive given the low valuation ratios of the region's public companies and stronger macroeconomic data relative to Western Europe. In view of the significant appreciation of Romanian equities over the previous two years, we expect a relatively more moderate performance in the current 2025, but a continued high dividend yield in the 7%-8% range for our core positions in Romania. We are more positive on the performance of Bulgarian and Greek equities in the portfolio, with exposure to Greece including banks and consumer names. At the same time, we see catch-up potential in smaller and growing technology-oriented companies in Bulgaria while maintaining the current positive global risk sentiment. We plan to increase our exposure to this segment as attractive investment opportunities arise, both in current positions in the Fund's portfolio and in upcoming initial public offerings.

4. Research and development

The specific nature of the activity of the mutual fund does not imply the development of research and development activities.

5. Information pursuant to art. 187d and art. 247 of the Commerce Act

In 2024 were issued 1,436,680.2391 units and repurchased 519,915.8310 units of MF Advance Invest with a par value of BGN 1. The net asset value of the Fund increased from BGN 13,578 thousand at the beginning of 2024 to BGN 17,238 thousand at the end of the year, the growth is around 27%. The number of unit holders during the year changed to 803 as of the end of 2024 of which 785 individuals and 18 legal entities.

The equity as of 31.12.2024 amounts to BGN 17,238 thousand consist of:

- Share capital: BGN 7,451 thousand;
- Premium reserve on units issued : BGN 1,337 thousand;
- General reserves: BGN 1,856 thousand;.
- Retained earnings: BGN 5,104 thousand;
- Profit for 2024: BGN 1,490 thousand;

The fund does not distribute dividends. The fund has no registered branches. There are no restrictions on the rights of the members of the Board of Directors of the Management Company with respect to the acquisition of units of the Fund. As of 31.12.2024 Bistra Kotseva owns 14,128.2140 units of the Fund, Daniel Ganev - 883.7995 units

In 2024 the Management company elects the audit firm Grant Thornton OOD with registration number 032 to audit the annual financial statements for 2024. The agreed remuneration amounts to BGN 6,900 thousand without VAT.

6. Changes in net assets and net asset value per share

	31.12.2024 BGN	31.12.2023 BGN	31.12.2022 BGN
Net assets	17,238,130.74	13,578,531.14	10,730,281.22
Net asset value per share	2.3135	2.0780	1.7573

7. Information on the method for calculating the total risk exposure of the Fund

In 2024, the Management Company identifies and measures all risk factors associated with the individual instruments in the Fund's portfolio, then measures the total exposure of the portfolio to these factors and takes decisions on limits, tolerance and risk management at portfolio level. The Fund's total risk exposure is calculated daily. The risk management department calculates the measurement and market risk assessment indicators.

The Management Company measures the market risk associated with a decrease in the value of the investments through one of the quantitative methods applicable to the relevant securities market:

1. Historical volatility measured by standard deviation.
2. β - coefficient to indices of the respective markets /the relationship between the price of the individual share and the price of the market as a whole.;
3. If it is not possible to apply points 1 and 2, the management company shall use the standard deviation of the selected index of the regulated market on which the given shares are traded as a substitute in the overall analysis of the portfolios; β coefficient to the indices of the respective markets / the relationship between the price of the individual share and the price of the market as a whole.

In calculating the Fund's overall risk exposure, the Management Company may consider netting and hedging agreements if these agreements do not disclose obvious and significant risks and lead to a clear reduction in risk exposure.

As of 31.12.2024 the total risk of the Fund's portfolio, measured by the standard deviation is 6.59%. The total portfolio risk of MF Advance Invest is measured by the historical volatility of a unit price, measured by the standard deviation.

The Risk Management Department performed a back-test of the validity of the risk assessment and forecasting model, measured by the NAV Standard Deviation approach, to verify the sustainability of the Fund's price risk assessment model, as of 10.01.2025 has compiled a report covering the period 01.01.2024 r. - 31.12.2024. The report, adopted by the Board of Directors on 10.01.2025, states that under standard market conditions the model is sufficiently precise in forecasting the maximum allowable monthly loss with a 99% confidence interval. During the back-testing period, no exceedances of the predicted maximum loss were found. The Management Company has decided that there is no need to review the used model for maximum value at risk and the parameters used for its application.

The management company does not charge performance fees to the collective investment undertaking.

8. Disclosure for sustainable investments under Article 6 of Regulation 2019/2088

Karoll Capital Management EAD has adopted a policy to integrate sustainability risks into its investment decision-making process to invest responsibly on behalf of and at the expense of managed collective investment schemes. Karoll Capital Management EAD has adopted a policy to integrate sustainability risks into its investment decision-making process in order to invest responsibly on behalf of and at the expense of managed collective investment schemes. The Management Company applies the principles of responsible investment and sustainability in asset management, using assessments and indicators of sustainable finance from external suppliers in examining and determining the main

adverse impacts on sustainability as part of the investment process. In the absence of such external assessments, the Management Company applies an internal factor assessment based on its own model, which takes into account both the criteria and the specifics of the sectors in which companies operate and their ability to collect and disclose information about their actions towards sustainability and social responsibility.

In accordance with the requirements of Delegated Regulation (EU) 2022/1288 of the Commission of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council, with regard to regulatory technical standards detailing the content and presentation of information in relation to the principle of non-material detriment and specifying the content, the methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, as well as the content and presentation of information in relation to the promotion of environmental or social performance and sustainable investment objectives in pre-contractual documents, websites and periodic reports, Karoll Capital Management EAD has published on its website information on the reported main adverse impacts of investment decisions on sustainability factors for the period 01.01.2022 – 31.12.2022 and period 01.01.2023 – 31.12.2023, and such for the period 01.01.2024 – 31.12.2024 is to be published by 30.06.2025.

Although a significant part of the investments made by the Fund could meet the principles of sustainable investment, the Fund does not have environmental and/or social characteristics within the meaning in Art. 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council from 29 November 2019 on the disclosure of sustainability information in the financial services sector.

The investments in the Fund as a financial product do not comply with the EU criteria for environmentally sustainable economic activities. In accordance with the requirements of article 7 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

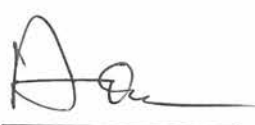

9. Remuneration policy of the Management company

The Management Company of the Fund - Karoll Capital Management EAD discloses to all interested parties' details of the applied remuneration policy and any subsequent changes in it, without disclosing information that is a secret, protected by law.

The remuneration policy covers all forms of remuneration paid by the management company, as well as all amounts paid directly by the managed collective investment schemes.

The applied policy for remuneration in the Management Company is published on the company's website karollcapital.bg. In its financial report, available again on the website, MC Karoll Capital Management EAD has announced the result of the mandatory review of the implementation of the policy.

Sofia
17.03.2025

Daniel Ganev: 
Chief Executive Officer
MC Karoll Capital Management EAD
Bistra Kotseva: 
Procurator
MC Karoll Capital Management EAD



Grant Thornton OOD

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Mutual Fund Advance Invest
57 Hristo Botev str., Sofia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mutual Fund Advance Invest** (the Fund), which comprise the statement of financial position as of 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in net assets belonging to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as of 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management of the Management Company is responsible for the other information. The other information comprises the annual management report, prepared in accordance with Bulgarian Accountancy Act, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management of the Managing Company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the management report is consistent with the financial statements for the same reporting period;
- (b) the management report is prepared in accordance with the applicable legal requirements; and
- (c) as a result of the acquired knowledge and understanding of the activities of the Company and the environment in which it operates, we have found no cases of material misrepresentation in the management report

Mariy Apostolov
Managing partner

Silvia Dinova
Registered auditor responsible for the audit

Grant Thornton Ltd.
Audit firm with reg. № 032

26 March 2025
Bulgaria, Sofia, 26, Cherni Vrah Blvd.

MF ADVANCE INVEST
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2024
ALL AMOUNTS ARE IN BGN THOUSAND, UNLESS OTHERWISE STATED

	Note	31.12.2024	31.12.2023
Assets			
Financial assets at fair value through profit or loss	5	16,354	13,083
Current receivables	7	6	169
Cash and cash equivalents	6	1,106	361
Total assets		17,466	13,613
Net assets, belonging to the shareholders			
Share capital	8.1	7,451	6,534
Premium reserve	8.2	1,337	85
General reserves		1,856	1,856
Retained earnings		6,594	5,104
Total net assets, belonging to the shareholders		17,238	13,579
Liabilities			
Related party payables	12.2	38	31
Trade payables	9	190	3
Total liabilities		228	34
Total liabilities and net assets, belonging to the shareholders		17,466	13,613

Daniel Ganey: 
Chief Executive Officer
MC Karoll Capital Management EAD

Milena Simova: 
Chief Accountant
MC Karoll Capital Management EAD

Bistra Kotseva: 
Procurator
MC Karoll Capital Management EAD



Date 17.03.2025.

Audited, according to auditor's report, dated 26.03.2025:
Grant Thornton Ltd., Audit company with reg. № 032
Mariy Apostolov, Managing Partner
Silvia Dinova, Registered auditor, responsible for the audit


The accompanying notes from 1 to 18 form an integral part of the financial statements.

MF ADVANCE INVEST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 DECEMBER 2024
ALL AMOUNTS ARE IN BGN THOUSAND, UNLESS OTHERWISE STATED

	Note	For the year ending 31.12.2024	For the year ending 31.12.2023
Dividend income	10.1	423	837
Gain from operations with financial assets measured at fair value through profit or loss, net	10.2	1,539	1,581
Loss from foreign currency exchange differences, net	10.3	(5)	(29)
Net gain from financial assets		1,957	2,389
Hired services expenses	11	(467)	(343)
Total operating expenses		(467)	(343)
Profit for the year		1,490	2,046
Total comprehensive income		1,490	2,046

Daniel Ganey: 
Chief Executive Officer
MC Karoll Capital Management EAD

Milena Simova: 
Chief Accountant
MC Karoll Capital Management EAD

Bistra Kotseva: 
Procurator
MC Karoll Capital Management EAD



Date 17.03.2025.

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Mariy Apostolov, Managing Partner
Silvia Dinova, Registered auditor, responsible for the audit

MF ADVANCE INVEST
STATEMENT OF CASH FLOWS
31 DECEMBER 2024
ALL AMOUNTS ARE IN BGN THOUSAND, UNLESS OTHERWISE STATED

	Note	For the year ending 31.12.2024	For the year ending 31.12.2023
Cash flows from operating activities			
Cash payments for financial assets' acquisition		(3,033)	(2,372)
Proceeds from sale of financial assets		1,736	1,151
Cash payments, related to foreign currency operations		(1)	(1)
Dividend received		332	667
Cash payments to the Management Company		(445)	(314)
Cash payments related to trade counterparties		(42)	(30)
Net cash flows from operating activities		(1,453)	(899)
Cash flows from financial activities			
Proceeds from units' issue	8	3,399	1,322
Payments for units repurchase	8	(1,201)	(518)
Net cash flow from financing activities		2,198	804
Net changes in cash and cash equivalents		745	(95)
Cash and cash equivalents at the beginning of the year	6	361	456
Cash and cash equivalents at the end of the year		1,106	361

Daniel Ganev: 
Chief Executive Officer
MC Karoll Capital Management EAD

Milena Simova: 
Chief Accountant
MC Karoll Capital Management EAD

Bistra Kotseva: 
Procurator
MC Karoll Capital Management EAD



Date 17.03.2025.

Audited, according to auditor's report, dated 26.03.2025:
Grant Thornton Ltd., Audit company with reg. № 032
Mariy Apostolov, Managing Partner
Silvia Dinova, Registered auditor, responsible for the audit

MF ADVANCE INVEST
STATEMENT OF CHANGES IN NET ASSETS,
ATTRIBUTABLE TO SHAREHOLDERS
31 DECEMBER 2024
ALL AMOUNTS ARE IN BGN THOUSAND, UNLESS OTHERWISE STATED

	Share capital	Premium reserve	General reserves	Retained earnings	Total
Balance as of 1 January 2023	6,106	(290)	1,856	3,058	10,730
Issue of units	653	568	-	-	1,221
Repurchase of units	(225)	(193)	-	-	(418)
Transactions with shareholders	428	375	-	-	803
Profit for the year	-	-	-	2,046	2,046
Total comprehensive income for the year	-	-	-	2,046	2,046
Balance as of 31 December 2023	6,534	85	1,856	5,104	13,579
Issue of units	1,437	1,930	-	-	3,367
Repurchase of units	(520)	(678)	-	-	(1,198)
Transactions with shareholders	917	1,252	-	-	2,169
Profit for the years	-	-	-	1,490	1,490
Total comprehensive income for the year	-	-	-	1,490	1,490
Balance as of 31 December 2024	7,451	1,337	1,856	6,594	17,238


Daniel Ganey:
Chief Executive Officer
MC Karoll Capital Management EAD

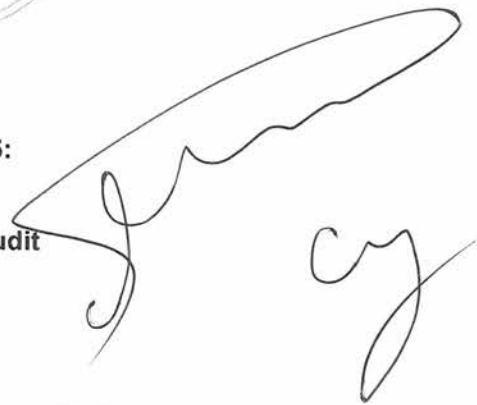

Milena Simova:
Chief Accountant
MC Karoll Capital Management EAD


Bistra Kotseva:
Procurator
MC Karoll Capital Management EAD



Date 17.03.2025.

Audited, according to auditor's report, dated 26.03.2025:
Grant Thornton Ltd., Audit company with reg. № 032
Mariy Apostolov, Managing Partner
Silvia Dinova, Registered auditor, responsible for the audit



The accompanying notes from 1 to 18 form an integral part of the financial statements.

Notes to the financial statements

1. General information

MF Advance Invest (The Fund) with UIC 131187474 is an open-ended collective investment undertaking, operating on a risk-sharing basis. The Fund was established as an open-ended investment company in October 2003 and was registered in Bulgaria by Decision №1 of 21 January 2004 of the Sofia City Court. The Fund is registered in the Commercial Register with 2,050,000 ordinary registered shares with voting rights, with a nominal value of BGN 1. The Fund was re-registered in the Commercial Register in May 2008 and September 2013.

The Fund was authorised to carry out its activities by decision № 561-ID of 22 December 2003 of the FSC, namely: investing in securities with cash raised through public offerings of shares by an effective decision of the FSC 479 - ID /26.06.2013 the legal form of the Fund was transformed from an open-ended investment company into a mutual fund. The changes are reflected in the Commercial Register. Mutual fund Advance Invest was entered in the register of the FSC under Article 30, Paragraph 1, Item 4 of the FSC Act by Decision 736 - MF /03.10.2013. With the said decision an issue of shares was cancelled, and an issue of units was entered in the public register kept by the FSC. The Fund's units are not listed for trading on the Bulgarian Stock Exchange -Sofia AD.

The public offering for sale and redemption of the Fund's shares over the counter commenced on 10 May 2004. The Fund's shares are not listed for trading on a regulated market. The number of units outstanding as of 31 December 2024, and 2023 amounted to 7,451,205.6108 and 6,534,441.2027, respectively.

The Fund is subject to regulation by the Financial Supervision Commission (FSC). The special legislation concerning the activity of the Fund is contained and arises mainly from the Act on the activities of collective investment schemes and other collective investment undertakings (CISOUCIA) and related regulations in conjunction with the above.

Mutual Fund Advance Invest is managed by Karoll Capital Management EAD, a management company based in Sofia, Bulgaria – Vazrazhdane district, 57 Hristo Botev str., and management address in Sofia, Bulgaria – Lozenets district, 1 Zlatovrah str. MC Karoll Capital Management EAD, acting on behalf of the Fund, has elected Eurobank Bulgaria AD as a custodian bank that will hold dematerialised securities and cash of the Fund.

The fund capital is a variable and may vary depending on the number of units issued and offered for redemption but is always equal to the net asset value of the Fund.

1.1. Investment strategy of the Fund

The Fund's primary objective is to provide Unitholders with an increase in the value of their investment by realizing a capital gain at high risk over the long term. Active management of the Fund's investment portfolio is the basis of the strategy to achieve the expected returns by selecting financial instruments with the potential for price growth, as determined by fundamental and technical parameters. The Management Company intends to achieve these objectives by focusing the Fund's investments in shares of Bulgarian, Romanian and other Eastern European companies.

In order to achieve the Fund's investment objectives, the model of active management of the portfolio of financial instruments is applied depending on the market conditions by selecting financial instruments with price growth potential determined by fundamental and technical parameters. Investments will be focused on shares of Bulgarian, Romanian and other Eastern European companies.

Another criterion, which is a consequence of the chosen model for active portfolio management, is the requirement that the assets have relatively high liquidity, i.e. they can be realised at any time without significant losses. To this end, the assets must be actively traded on a regulated market in volumes that provide a sufficiently representative estimate of their fair value.

Last but not least, the instruments are selected so that the investment portfolio is optimally diversified in terms of number of instruments, size and sector of issuers so as to reduce as far as possible the risk of adverse price movements of individual positions. In terms of sector structure, the specific allocation of investments depends on our analysis and expectations of the current state of the relevant sector and its companies. Consequently, greater weightings in the Fund's investment portfolio are given to stocks in companies and sectors for which the outlook is most favourable and hence the expected return in the form of market price growth for these stocks is highest. Despite the Fund's focus on equities, active portfolio management requires that in periods of anticipated market downturn, a greater than normal proportion of the funds raised are allocated to cash.

2. Statement of compliance with IFRS, and going concern assumption

2.1. Statement of compliance with IFRS, as adopted by the EU

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the EU (IFRS Accounting Standards, as adopted by the EU). They comprise the International Accounting Standards (IAS) adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council and in accordance with paragraph 1, subparagraph 8 of the Additional provisions of Bulgarian Accountancy Act.

The management of the Management Company is responsible for the preparation and fair presentation of the information in these financial statements.

2.2. Going concern principle

At the date of these financial statements, the management of the Fund's Management Company has assessed the Fund's ability to continue as a going concern based on the information available for the foreseeable future. After making enquiries, management has a reasonable expectation that the Fund has sufficient resources to continue as a going concern for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the Fund's annual financial statements.

Going concern assumption

The financial statements have been prepared under the going concern principle. The management of the Fund's Management Company has made an analysis and assessment of the Fund's ability to continue as a going concern based on the information available for the foreseeable future and management expects that the Fund has sufficient financial resources to continue as a going concern in the foreseeable future and continues to apply the going concern basis in preparing the financial statements.

3. New or revised standards or interpretations

3.1. New standards, amendments and interpretations to existing standards as at 1 January 2024

The Management Company has adopted in the accounting policies of the Fund the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and endorsed by the EU, which are relevant and effective for the financial statements for the annual period commencing 1 January 2024, but do not have a material effect on the financial performance and financial position of the Fund:

- Amendments to IAS 1 "Presentation of financial statements: Classification of liabilities as current or non-current", effective from 1 January 2024, adopted by the EU
- Amendments to IAS 1 "Presentation of financial statements: Non-current liabilities with covenants", effective from 1 January 2024, adopted by the EU
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", effective not earlier than 1 January 2024, adopted by the EU
- Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments: Disclosures: supplier finance arrangements", effective from 1 January 2024, not yet adopted by the EU

3.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Fund

At the date of authorisation of these separate financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2024 and have not been adopted early by the Fund. All standards and amendments are expected to be adopted in the Fund's accounting policies in the first period beginning after their effective date. Information on those expected to be relevant to the Company's financial statements is provided below.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, not yet adopted by the EU

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

- **Derecognition of a financial liability settled through electronic transfer.**
The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- **Classification of financial assets**
 - *Contractual terms that are consistent with a basic lending arrangement.* The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - *Assets with non-recourse features.* The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - *Contractually linked instruments.* The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.
- **Disclosures**
 - *Investments in equity instruments designated at fair value through other comprehensive income.* The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.
 - *Contractual terms that could change the timing or amount of contractual cash flows.* The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

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

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect all companies in all industries. Although IFRS 18

will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss. Adding defined subtotals to the statement of profit or loss makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis.
- requiring disclosures about management-defined performance measures. Requiring companies to disclose information about management-defined performance measures increases discipline over their use and transparency about their calculation.

The following new standards, amendments and interpretations to existing standards, which have also been issued, but are not yet effective, are not expected to have a material impact on the Funds's financial statements:

- Amendments to IAS 21 "The effects of changes in foreign exchange rates: Lack of exchangeability", effective from 1 January 2025, adopted by the EU
- Annual Improvements Volume 11, effective from 1 January 2026, not yet adopted by the EU
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU

4. Material accounting policy information

4.1. Overall considerations

The most significant accounting policies that have been used in the preparation of these financial statements are summarized below.

The financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN '000) (including comparative information for 2023), except for earnings per share or unless otherwise stated.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used for the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

4.2. Presentation of the financial statements

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Fund has elected to present the statement of profit or loss and other comprehensive income as a single statement.

Two comparative periods are presented for the statement of financial position when the Fund applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements and this has a material impact on the statement of financial position at the beginning of the preceding period.

4.3. Foreign currency transactions

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate as published by the Bulgarian National Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4.4. Revenue

The main financial revenue of the Fund comprises revaluation of securities, realized gains or losses from transactions with securities, interest income on deposits, interest-bearing securities and from dividends.

4.4.1. Interest income

Interest income on bank deposits is reported on an accrual basis to the Statement of profit or loss and other comprehensive income of the Fund, in accordance with the contract's terms. Interest income is recognized on an accrual basis.

Interest received from bank deposits is shown in the cash flow statement as interest income.

Dividend income is recognised to the profit or loss at the time the right to receive payment is established.

4.4.2. Net income from investment operations

Subsequent measurement, due to changes in the market (fair) value of securities is presented in the statement of profit or loss and other comprehensive income of the Fund as net income from investment operations.

Differences from changes in the value of financial instruments are reported as current income or expense from revaluation of financial assets.

The difference between the revalued amount and the price of the financial instruments, when sold is recognised as current revenue or expense from operations with financial instruments.

4.4.3. Net income from foreign exchange operations

Foreign currency transactions are recognised in BGN by applying the exchange rate of the Bulgarian National Bank (BNB) as of the date of the respective transaction. Assets and liabilities denominated in foreign currency are reported by applying the closing exchange rate of BNB at the date of preparation of the statements.

Gains and losses from exchange rate differences and from trade with currency are reported in the Statement of profit or loss and other comprehensive income in the period of their occurrence

The subsequent measurement, due to changes in foreign exchange rates are reflected in the statement of profit or loss and other comprehensive income as net income from foreign exchange operations. The effects of changes in exchange rates in the subsequent measurement of financial assets denominated in foreign currencies at fair value through profit or loss, are recognised after considering changes in the market prices in original currencies.

4.5. Expenses

Expenses related to the Fund's activities are recognized in profit or loss in the statement of profit or loss and other comprehensive income, following the accrual basis. The annual operating expenses of the Fund shall not exceed 4.50% of the annual average net asset value of the Fund. The percentage is determined by the management of the Management Company, as it is set in the Prospectus of the Fund and is approved by the Financial Supervision Commission.

Operating expenses, which are indirectly borne by all its unitholders, including management fee and expenses for marketing services performed by the Management Company as well as the remuneration of the Depositary Bank are charged daily.

The costs of issuing units are included in the issue value per unit. The costs of issuing units shall depend on the size of the accepted order as follows:

- 1.5% (1.5 percent) of the net asset value per unit for orders up to BGN 100,000.
- 1% (1.0 per cent) of the net asset value per unit for orders above BGN 100,000.00.
- no expenses for orders on behalf of institutional investors, and orders on behalf of investors, resulting from, and empowered by a contract for portfolio management with MC Karoll Capital Management EAD.

Unitholders of the Fund do not pay any redemption costs. Such expenses are a liability of the Fund to the Management Company and are payable by the 5th day of the following month.

By a decision of the Board of Directors of Karoll Capital Management EAD, MF Advance Invest announced reduced issue of shares expenses for orders placed from the 10.05.2024 until the 28.06.2024, as follows:

- 0.75 percent of the net asset value per unit when investing an amount up to and including BGN 100,000 and
- 0.5 percent of the net asset value per unit when investing an amount exceeding BGN 100,000.

4.6. Financial instruments

4.6.1. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

4.6.2. Classification and initial measurement of financial assets

Financial assets are initially recorded at fair value adjusted for transaction costs, except for financial assets at fair value through profit or loss that do not have a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are recorded as current expenses.

Depending on the method of subsequent measurement, financial assets are classified into the following categories:

- Debt instruments at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Financial assets at fair value through other comprehensive income (FVOCI) with or without reclassification in profit or loss, depending on whether they are debt or equity instruments.

The Fund classifies its investments based on both:

- the business model for their management
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented on the line "Gain/(loss) on transactions with investments, net" in the Statement of profit or loss and other comprehensive income.

4.6.3. Subsequent measurement of financial assets

Debt instruments at amortized cost

Financial assets are measured at amortized cost if they meet the following criteria and are not qualified for measurement at fair value through profit or loss:

- The Fund manages assets within a business model that aims to hold the financial assets and collect their contractual cash flows.
- Under the contractual terms of the financial asset, cash flows arise on a specific date, which are only principal payments and interest on the outstanding amount of the principal.

This category includes receivables with fixed or determinable payments 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 is insignificant. The Fund classifies in this category its receivables, as well as cash and cash equivalents.

Receivables

Receivables originally originated in the Fund are non-derivative financial instruments with fixed payments that are not traded in an active market. They are usually due for settlement in the short term and are therefore classified as current. Receivables are recognised initially at the unconditional consideration unless they contain significant financing components. The Fund holds receivables for the purpose of collecting contractual cash flows and therefore measures them at amortised cost using the effective interest method. Discounting is not carried out when its effect is immaterial.

Financial assets measured at fair value through profit or loss

Financial assets for which the 'held for collection of contractual cash flows' business model or the 'held for collection and sale' business model is not applicable are carried at fair value through profit or loss.

This category includes investments in equity instruments. The Fund has not chosen to irrevocably report the investments at fair value through other comprehensive income and report at fair value through profit or loss.

All changes in the fair value of assets in this category are recognised in profit or loss. The fair value of financial assets in this category is determined by quoted prices in an active market or by using valuation techniques in case of absence of an active market.

4.6.4. Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses. Financial instruments covered include debt instruments at amortised cost.

Recognition of credit losses is no longer dependent on the Fund first identifying a credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2)
- Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date. None of the Fund's financial assets fall into this category.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category. Expected credit losses are determined as the difference between all contractual cash flows attributable to the Fund and the cash flows it is expected to receive ("cash shortfall"). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate).

The calculation of expected credit losses is determined based on the probabilistic weighted estimation of credit losses over the expected maturity of financial instruments.

As at the reporting date, the leadership of the Management Company has made an approximate assessment of the impairment of receivables based on the expected credit losses and has concluded that it is insignificant, respectively it is not accounted for and presented in the financial statements.

4.6.5. Classification and measurement of the financial liabilities

The Fund's financial liabilities include trade payables.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the Fund has designated a financial liability as at fair value through profit or loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivatives and financial liabilities that are designated at fair value through profit or loss (except for derivative financial instruments that are designated and effective as hedging instruments).

Any interest expense and, if applicable, changes in the fair value of the instrument that are recognised in profit or loss are included in finance costs or finance income.

4.7. Cash and cash equivalents

The Fund accounts for cash and cash equivalents available cash on hand and cash in bank accounts.

In the proceeds from the issue of own units in the Cash Flow Statement, the Fund presents the gross amount received from the client on subscription orders for units, including the issuance costs, which are addressed directly by the specific investor and paid to the management company.

4.8. Income taxes

According to the Corporate Income Tax, collective investment schemes that are admitted for public offering in Bulgaria are not subject to corporate tax.

4.9. Net assets, belonging to shareholders

The Fund is an open-type collective investment scheme that issued its "capital" instruments and then has the responsibility for their repurchase. The funds raised - face value and reserves and issuing financial result which determines net asset value, belongs to investors.

Objectives, policies and processes for managing its obligation to the Fund to redeem the instruments when the holders of these instruments require this are set out in note 16.

The estimation of the net asset value of the Fund shall be under the rules for determining the net asset value of MF Advance Invest, approved by the Financial Supervision Commission.

The methodology for determining the net asset value is based on the legislation related to the Fund and includes the principles and methods of valuation of assets and liabilities of the Fund.

The net assets value per unit is the basis for determining the issue price and the repurchase of the units of MF Advance Invest, calculated every business day. The net assets value of the Fund is obtained by reducing the value of all assets from the value of liabilities. The net assets value of the Fund shall be declared in Bulgarian Lev.

As of 01.01.2023 the Fund determines the NAV, the issue value and the redemption price of the units each business day for the previous business day.

The methodology for determining the net asset value of the Fund is based on:

- the provisions of the accounting legislations
- the provisions of the Act for the activities of collective investment schemes and other collective investment entities;
- Ordinance №44 on requirements to the activity of collective investment schemes, management companies, national investment funds, alternative investment funds and persons managing alternative investment funds;
- the rules and prospectus of the Fund.

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

4.10. Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a possibility of present obligations resulting from past events to lead to an outflow of resources from the Fund and can be made reliable estimate of the amount of the obligation. Timing or amount of the outflow may still be uncertain. Present obligation arises from the presence of a legal or constructive obligation as a result of past events, such as legal disputes.

Restructuring provisions are recognised only if there is a developed and implemented detailed formal restructuring plan or management has announced the main points of the restructuring plan to those affected by it. Provisions for future operating losses are not recognised.

The amount recognised as a provision is calculated based on the most reliable estimate of the expenditure required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties associated with the present obligation.

Where there are several similar obligations, the likelihood that an outflow to settle the obligation is determined by considering the class of obligations as a whole. Provisions are discounted when the effect of the time value of money is significant.

Benefits, from third parties, in connection with obligations, to which the Fund is confident, that it would receive, are recognised as a separate asset. This asset may not exceed the value of the related provision.

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

In cases, where it is considered unlikely, that outflow of economic resources will arise as result of a current liability, this liability is not recognised

Possible inflows of economic benefits that do not yet meet the criteria for recognition of an asset are considered contingent assets.

4.11. Significant management judgements in applying accounting policies

Significant management judgments in applying the accounting policies of the Fund which have the most significant impact on the financial statements are described below:

- The issue and redemption price of Fund units are based on the net asset value of the Fund at the date of determination. The Management Company is assessing the portfolio, determine the net asset value of the Fund, net asset value per unit and calculate the issue price and the redemption price under the control of the Custodian bank in accordance with regulatory requirements.
- The Management Company invests the Fund's assets in securities and in proportions determined in accordance with the Activity of Collective Investment Schemes and Other Collective Investment Entities Act and the Fund Rules.
- The subsequent valuation of the Fund's assets shall be made in accordance with the Fund's Rules and Ordinance № 44 on the requirements to the activities of collective investment schemes, management companies, national investment funds, alternative investment funds and alternative investment fund managers.
- According to agreement with the Management Company and the Custodian, fees are collected daily;
- The management of the Fund is carried out by the Management Company. Management fees and expenses for marketing services provided by the Management Company are charged daily.
- The Fund does not have the right, and has no tangible or intangible assets, investment property. The Fund is not entitled to be a party to lease agreements and thus no accounting policy has been adopted regarding this type of assets.
- The Fund does not have its own staff and thus no accounting policy has been adopted for pension and other employee obligations, as well as for staff remuneration based on shares.

4.12. Uncertainty of accounting estimates

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

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

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

4.12.1. Fair value of financial instruments

Management uses techniques such as 'net asset value', 'discounted expected cash flow method' and 'market multiples method' to measure the fair value of financial instruments in the absence of quoted prices in an active market in accordance with the Rules of the Fund and Regulation № 44 on the requirements for the activities of collective investment schemes, management companies, national investment funds, alternative investment funds and entities managing alternative investment funds.

In applying the valuation techniques, management makes maximum use of market data and assumptions that market participants would use in pricing the financial instrument. These estimates may differ from the actual prices that would be determined in a fair market transaction between knowledgeable and willing parties, in the end of the reporting period.

4.12.2. Measurement of expected credit losses

Credit losses represent the difference between all contractual cash flows due to the Fund and all cash flows the Fund expects to receive on its assets carried at amortized cost. Expected credit losses are a probability-weighted estimate of credit losses that require the Fund's judgment. Expected credit losses are discounted at the original effective interest rate (or the credit-adjusted effective interest rate for purchased or originated financial assets with credit impairment).

5. Financial assets at fair value through profit or loss

	Note	Fair value as of 31.12.2024	Fair value as of 31.12.2023
Bulgarian issuers shares	5.1	10,610	8,626
Foreign issuers shares	5.2	5,715	4,329
Warrants in Bulgarian lev	5.3	29	128
TOTAL		16,354	10,306

Investments are allocated by countries as follows:

Country	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
Bulgaria	10,639	60.91	8,754	64.30
Romania	4,635	26.54	4,329	31.80
Greece	1,080	6.18	-	-
TOTAL	16,354	93.63	13,083	96.10

Investments are allocated by sectors are follows:

	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
Financial services	3,507	20.08	2,482	18.23
IT	3,254	18.63	2,674	19.64
Healthcare	1,945	11.14	1,670	12.26
Industrial manufacturing	1,920	10.99	2,069	15.2
Real estate	1,604	9.18	1,349	9.91
Energy	1,511	8.65	1,445	10.62
Consumer goods	1,072	6.14	328	2.41
Utilities	888	5.08	898	6.6
Consumer staples	512	2.93	40	0.29
Materials	140	0.8	128	0.94
TOTAL	16,354	93.63	13,083	96.10

Investments are allocated by currency as follows:

		As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
Bulgarian Lev	BGN	9,304	53.26	8,754	64.30
Romanian Lei	RON	4,635	26.54	4,329	31.80
Euro	EUR	2,415	13.83	-	-
TOTAL		16,354	93.63	13,083	96.10

Allocation of investments by trading market:

Market	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
Bulgarian Stock Exchange	10,639	60.91	8,754	64.30
Bucharest Stock Exchange	4,335	26.54	4,329	31.80
Athens Stock Exchange	1,080	6.18		
TOTAL	16,354	93.63	13,083	96.10

5.1. Shares in Bulgarian lev

	ISIN	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
SHELLY GROUP AD	BG1100003166	1 335	7.64%	1 008	7.41%
SOPHARMA AD	BG11SOSOB18	1 179	6.75%	1 052	7.73%
SIRMA GROUP HOLDING AD	BG1100032140	698	4.00%	797	5.85%
REAL ESTATE FUND BULGARIA REIT	BG1100001053	687	3.93%	382	2.80%
AGRIA GROUP HOLDING AD	BG1100085072	657	3.76%	663	4.87%
ADVANCE TERRAFUND REIT	BG1100025052	604	3.46%	677	4.98%
BINOAR HOLDING AD-SOFIA	BG1100007076	530	3.04%	147	1.08%
ELEVAN CAPITAL AD	BG1100011193	502	2.87%	595	4.37%
SMART ORGANIC AD- SOFIA	BG1100005153	453	2.59%	135	0.99%
FIRST INVESTMENT BANK AD	BG1100106050	435	2.49%	271	1.99%
CENTRAL COOPERATIVE BANK AD	BG1100014973	369	2.12%	310	2.28%
DOVERIE UNITED HOLDING AD	BG1100038980	352	2.01%	297	2.18%
TRACE GROUP HOLD AD	BG1100049078	341	1.95%	207	1.52%
FAIRPLAY PROPERTIES REIT	BG1100042057	293	1.68%	265	1.95%
SOPHARMA TRADING AD	BG1100086070	267	1.53%	279	2.05%
SOPHARMA AD (BLOCKED)	BG1500008245	249	1.43%	-	-
WEBIT INVESTMENT NETWORK AD -VARNA	BG1100004222	207	1.18%	102	0.75%
TELEMATIK INTERACTIVE BULGARIA EAD	BG1100014213	198	1.13%	131	0.97%
CHIMIMPORT AD / INVEST CAPITAL	BG1100046066	184	1.06%	177	1.30%
BSE AD – SOFIA	BG1100016978	156	0.89%	79	0.58%
MONBAT AD	BG1100075065	136	0.78%	202	1.48%
STARA PLANINA HOLD AD	BG1100005971	132	0.76%	155	1.14%
NEOCHIM AD	BG11NEDIAT11	102	0.58%	87	0.64%
BULGARIAN RIVER SHIPPING AD-RUSE	BG1100100038	101	0.58%	109	0.80%
BOLERON AD	BG1100022232	83	0.47%	-	-
ELANA AGROCREDIT AD- SOFIA	BG1100040101	65	0.37%	68	0.50%
BG AGRO AD- VARNA	BG1100151072	59	0.34%	40	0.29%
IMPULSE GROWTH AD	BG1100005211	58	0.33%	48	0.35%
HR CAPITAL AD- SOFIA	BG1100016218	52	0.30%	-	-
ENERGY AND ENERGY SAVINGS FUND REIT	BG1100026068	36	0.20%	9	0.06%
BIODIT AD- SOFIA	BG1100003190	33	0.19%	53	0.39%
TELELINK BUSINESS SERVICES GROUP AD-SOFIA	BG1100017190	18	0.10%	-	-
BILBOARD AD	BG1100088076	17	0.10%	7	0.05%
PLOVDIV -YURI GAGARIN -BT -AD	BG11PLPLVT16	12	0.07%	10	0.07%
FAZERLESS AD- SILISTRA	BG11FASIAT18	10	0.06%	11	0.08%
INDUSTRIAL HOLDING BULGARIA AD	BG1100019980	-	-	109	0.80%
EUROHOLD BULGARIA AD- SOFIA	BG1100114062	-	-	144	1.06%
TOTAL		10,610	60.7	8,626	63.36

5.2. Shares in foreign currency

	ISIN	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
OMV PETROM	ROSNPPACNOR9	789	4.52%	759	5.58%
S.P.E.E.H. HIDROELECTRICA S.A.	RO4Q0Z5RO1B6	648	3.71%	679	4.99%
BANKA TRANSILVANIA	ROTLVAACNOR1	594	3.40%	417	3.06%
ROMGAZ S.A.	ROSNNGNACNOR3	463	2.65%	451	3.31%
JUMBO SA	GRS282183003	325	1.86%	-	-
GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A.	GRS419003009	307	1.76%	-	-
ALPHA SERVICES AND HOLDINGS	GRS015003007	269	1.54%	-	-
LONGSHIELD INVESTMENT GROUP S.A.	ROSIFDACNOR6	228	1.30%	179	1.31%
BANCA ROMANA PENTRU SOCIETATEA ENERGETICA	ROBRDBACNOR2	225	1.29%	216	1.59%
ELECTR	ROELECACNOR5	208	1.19%	181	1.33%
INFINITY CAPITAL INVESTMENTS S.A.	ROSIFEACNOR4	204	1.17%	160	1.17%
AUTOHELLAS SA	GRS337003008	179	1.03%	-	-
SNTGN TRANSGAZ S.A.	ROTGNTACNOR8	162	0.93%	130	0.96%
IAR BRASOV	ROIARVACNOR1	156	0.89%	172	1.26%
AROBS TRANSILVANIA SOFTWARE	ROWMR49B0RG5	138	0.79%	74	0.55%
BIOFARM S.A.	ROBIOFACNOR9	138	0.79%	159	1.17%
TRANSILVANIA INVESTMENTS ALLIANCE S.A.	ROSIFCACNOR8	133	0.76%	115	0.85%
MEDLIFE S.A.	ROMEDLACNOR6	111	0.64%	76	0.56%
CONPET PLOIESTI	ROCOTEACNOR7	96	0.55%	105	0.77%
TRANSPORT TRADE SERVICES S.A.	ROYCRRK66RD8	95	0.55%	179	1.32%
TURBOMECHANICA S.A.	ROTBMBACNOR9	63	0.36%	47	0.34%
PURCARI WINERIES PLC	CY0107600716	63	0.36%	62	0.46%
FONDUL PROPRIETATEA SA	ROFPTAACNOR5	34	0.20%	67	0.49%
S.N. NUCLEARELECTRICA S.A.	ROSNNEACNOR8	33	0.19%	39	0.28%
VRANCART SA	ROVRJUACNOR7	27	0.15%	32	0.24%
TERAPLAST S.A.	ROTRPLACNOR7	27	0.15%	30	0.22%
TOTAL		5,715	32.72	4,329	31.80

5.3. Warranties in Bulgarian Lev

	ISIN	As of 31.12.2024	% of total assets	As of 31.12.2023	% of total assets
FAIRPLAY PROPERTIES REIT -SOFIA	BG9200002228	20	0.11	25	0.18
IMPULSE GROWTH AD	BG9200002244	9	0.06	-	-
SHELLY GROUP AD	BG9200001212	-	-	103	0.76
TOTAL		29	0.17	128	0.94

As of 31.12.2024 Mutual Fund Advance Invest owns 629 814 exchange traded warrants of the issuer FAIRPLAY PROPERTIES REIT -SOFIA (BG9200002228), obtained in the public offering of the issuer. The warrants entitle their holders to exercise within a 5- year period their right to subscribe for the respective number of shares - the underlying asset of the warrants at an issue value of BGN 1.00 per share, with a warrant/share conversion ratio of 1/1.

In 2024 Advance Invest Fund acquires 97 747 warrants in a public offering of the issuer Impulse Growth AD (BG9200002244). The warrants entitle their holders to exercise until 30.05.2025 (within four capital increase procedures - in the months of August 2024, November 2024, February 2025 and May 2025, only if there are unexercised warrants at the relevant time) their right to subscribe for the

respective number of shares with ISIN BG1100005211 (underlying asset of the warrants) at an issue value of BGN 1.50 per share, with a warrant/share conversion ratio of 1/1.

In November 2024, the Management Company, on behalf of Advance Invest Fund, subscribed for 45,000 shares of the issuer SOFARMA AD (BG11SOSOB18) at an issue value of BGN 4.13 per share, exercising at a ratio of 1/1 the 45,000 warrants with ISIN BG9200001212 held by the Fund.

During the two periods presented, the Fund had no investments pledged as collateral for the Fund's obligations.

6. Cash and cash equivalents

	As of 31.12.2024	As of 31.12.2023
Cash in current accounts in BGN	1,094	7
Cash in current account in foreign currency	12	354
TOTAL	1,106	361

The Fund has no blocked cash and cash equivalents.

The Fund has evaluated the expected credit losses on cash and cash equivalents. The estimated amount is less than 0.1% of the gross amount of cash deposited in financial institutions, which is therefore considered to be immaterial and has not been accounted for in the financial statements of the Fund.

7. Current receivables

	As of 31.12.2024	As of 31.12.2023
Receivables from security holdings	6	169
TOTAL	6	169

As of 31.12.2024 the Fund has receivables on dividends voted for distribution from Agria Group Holding AD (BG1100085072) in the amount of BGN 3 thousand and Telematic Interactive Bulgaria EAD (BG1100014213) in the amount of BGN 3 thousand. The same were received in January 2025 and February 2025.

8. Net assets, belonging to shareholders

8.1. Number of units issued

During the periods presented, the number of units outstanding was as follows:

Capital changes	Number of units	Nominal value	Share capital BGN'000
As of 01.01.2023	6,106,239.3311	1 BGN/unit	6,106
Units issued	653,000.5248	1 BGN/unit	653
Units repurchased	(224,798.6532)	1 BGN/unit	(225)
As of 31.12.2023	6,534,441.2027	1 BGN/unit	6,534
Units issued	1,436,680.2391	1 BGN/unit	1,437
Units repurchased	(519,915.8310)	1 BGN/unit	(520)
As of 31.12.2024	7,451,205.6108	1 BGN/unit	7,451

8.2. Share premium

	As of 31.12.2024	As of 31.12.2023
Share premium as of 1 January	85	(290)
Change due to units issued	1,930	568
Change due to units repurchased	(678)	(193)
TOTAL	1,337	85

8.3. Net asset value per share

Net asset value per share is the basis for determining the issue price and the repurchase price of units of MF Advance Invest, calculated every workday. Net asset value of the Fund is presented in Bulgarian Lev. For the purposes of these annual financial statements and compliance with the principles of IFRS, the net asset value per unit, issue price and redemption price have been calculated and presented as of 31.12.2024 and as of 31.12.2023.

	31.12.2024 NAV (IFRS)	23.12.2024 NAV (disclosed)	31.12.2023 NAV (IFRS)	22.12.2023 NAV (disclosed)
Net asset value	17,238,130.74	17,273,972.77	13,578,531.14	13,475,346.37
Total number of units outstanding	7,451,205.6108	7,451,099.1505	6,534,441.2027	6,538,388.6189
Nominal value	1.0000	1.0000	1.0000	1.0000
Net asset value per share	2.3135	2.3183	2.0780	2.0610
Issue price				
For orders up to BGN 100 000 after issue fee of 1.5% of the net asset value	2.3482	2.3531	2.1092	2.0919
For orders above BGN 100 000.00 after issue fee of 1.0% of the net asset value	2.3366	2.3415	2.0988	2.0816
For orders from institutional investors and orders resulting from and empowered by a contract for portfolio management with MC Karoll Capital Management – no issuance fee	2.3135	2.3183	2.0780	2.0610
Redemption price	2.3135	2.3183	2.0780	2.0610

By decision of the Board of Directors of the Management Company, the Fund have not accepted orders for and have not executed transactions with its own units on 27.12.2024, 30.12.2024 and 31.12.2024.

9. Trade and other payables

	As of 31.12.2024	As of 31.12.2023
Obligations related to transactions with financial instruments	187	1
Obligations to the Depository bank	2	1
Obligations related to the issue of shares	1	1
TOTAL	190	3

See note 4.6 for information on the accounting policies for each category of financial instruments and the methods used to measure fair values. The Fund's risk management policy and objectives for financial instruments are presented in note 14.

10. Operating results

10.1. Dividend income

	For the year ended 31.12.2024	For the year ended 31.12.2023
Dividend income from Bulgarian issuers	160	437
Dividend income from Romanian issuers	251	398
Dividend income from Greek issuers	9	
Dividend income from Cyprus issuers	3	2
TOTAL	423	837

10.2. Gain from operations with financial assets at fair value through profit and loss, net

	For the year ended 31.12.2024	For the year ended 31.12.2023
Gains on revaluation of financial assets at fair value through profit or loss	22,349	18,171
Losses on revaluation of financial assets at fair value through profit or loss	(20,685)	(16,586)
Gains on transactions with financial assets at fair value through profit or loss	22	11
Losses on transactions with financial assets at fair value through profit or loss	(138)	(7)
Costs related to transactions with financial assets	(9)	(8)
TOTAL	1,539	1,581

10.3 Loss from exchange rate differences, net

	For the year ended 31.12.2024	For the year ended 31.12.2023
Loss from currency revaluations of financial assets	(114)	(345)
Profit from currency revaluations of financial assets	110	318
Losses from foreign exchange transactions, net	(1)	(2)
TOTAL	(5)	(29)

11. Hired services expenses

	For the year ended 31.12.2024	For the year ended 31.12.2023
Remuneration of the Management company	(405)	(299)
Remuneration of the custodian bank	(35)	(22)
Advertisement	(19)	(14)
Audit	(6)	(6)
Annual fees	(2)	(2)
TOTAL	(467)	(343)

Expenditures related to the Funds' operations in 2024 represent 2.89% when compared to 2023 which was 2.87% from the average annual net asset value of the Fund's financial statements.

12. Related parties

The Fund's related parties consist of the Management Company and the other mutual funds, manage by it, and other companies under the control of the ultimate owner of the Management Company – Stanimir Karolev.

12.1. Transactions during the period

	For the year ended 31.12.2024	For the year ended 31.12.2023
<i>Transactions with the Management Company:</i>		
Remuneration to the Management Company	(405)	(299)
Fees for own shares issued	(29)	(8)
Remuneration for marketing services	(19)	(14)

The Management Company receives remuneration in the amount of 2.5% of the average annual net asset value of the Fund for the performed management actions

For the provision of marketing services, the Management Company receives remuneration in the amount of 0.12% of the average annual net value of the Fund's assets.

For issue of units, the Fund charges an issuing fee that is income for the Management Company and initially originates in the Fund, as part of the issue value. It is subsequently paid to the Management Company without being reflected in the Fund's comprehensive income.

12.2. Related parties balances at year end

	As of 31.12.2024	As of 31.12.2023
Payables to the Management Company	38	31

The liabilities of the Fund to the Management Company as of 31.12.2024 represent due remuneration for the month of December 2024 and were fully repaid in January 2025.

13. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets	Notes	As of 31.12.2024	As of 31.12.2023
Debt instruments at amortized cost:			
Current trade receivables	7	6	169
Cash and cash equivalents	6	1,106	361
		1,112	530
Financial assets at fair value through profit or loss:			
Shares	5	16,354	13,083
Financial liabilities	Notes	As of 31.12.2024	As of 31.12.2023
Financial liabilities at amortized cost:			
Trade and other payables	10	190	3
Related party payables	12.2	38	31
		228	34

14. Financial risk management

Risk management objectives and policy

In order to adequately manage the financial risks, Karoll Capital Management EAD has adopted the Risk Assessment and Risk Management Rules of Advance Invest. The implementation of the methods and procedures set out in the Rules is carried out on a daily basis by the Risk Management Department in the Management Company. The Management Company amends the Fund's Risk Assessment and Risk Management Rules entered into force since 01.01.2023 r.

Liquidity risk

The Fund is obliged to maintain such a structure of the assets and liabilities that will enable it to carry out its activity unimpeded and to repay its payables on a timely basis at reasonable prices without the need to sell profitable assets. The Fund attracts resources by issuing units. Liquidity risk can arise as a consequence from the low liquidity on the capital market as well as when there are unusually large orders for repurchase of shares which can lead to insufficiency of Fund's cash.

The Fund invests in issues traded on active stock markets and may, if necessary, provide cash from the sale of its securities holdings within a legally regulated period for the execution of an accepted redemption order.

The Fund manages this risk by seeking to maintain a relatively high proportion of cash and highly liquid assets in its assets to minimise the likelihood of being unable to repay its obligations in a timely manner.

According to the rules for maintenance and management of the liquid funds the Fund holds cash on deposits and in current accounts, in order to meet liquidity needs. The portfolio manager monitors on a daily basis cash as a percentage of the assets. On a quarterly basis, a risk management report shall be prepared for the Fund containing an assessment of the liquidity risk indicators calculated and presented to the Board of Directors.

The table below shows financial liabilities of the Fund, summarised in groups by maturity from the reporting date to the date they are due.

As of 31 December 2024	<u>Up to 1 month</u>
Current payables	228
As of 31 December 2023	<u>Up to 1 month</u>
Current payables	34

With effect from 01.01.2023, the Management Company shall conduct liquidity stress tests of the Fund in accordance with the Liquidity Stress Testing Policy. The Policy sets out the procedures put in place by the Management Company, the models, the assumptions underlying them, and the methodology used for liquidity stress testing as a liquidity risk management tool.

Market risk

Market risk is a systematic (common) risk affecting the value of all assets. It arises from the characteristics of the macroeconomic environment and the state of the country's capital market, operates outside the issuing company and cannot generally be diversified. Market risk consists of currency, interest rate and other price risk. The main methods of mitigating systemic risk and its individual components are the collection and processing of information on the macroeconomic environment and, on that basis, forecasting and tailoring investment policy to the expected dynamics of that environment.

All investments in securities can generate risk of loss of capital. The portfolio manager manages this risk by careful selection of securities and other financial instruments within certain limits. The investment portfolio of the Fund is monitored on a daily basis by the portfolio manager. On a quarterly basis, a risk management report of the Fund shall be prepared containing an assessment of the calculated market risk indicators and presented to the Board of Directors.

Market risk is concentrated in the following positions:

	As of 31.12.2024		As of 31.12.2023	
	Fair value	% of net assets, valued using market price	Fair value	% of net assets, valued using market price
Financial assets at fair value through profit or loss	16,354	93.63	13,083	96.10
Total amount, exposed to market risk	16,354	93.63	13,083	96.10

Currency risk

The Fund is exposed to foreign currency risk while operating with financial instruments, denominated in foreign currency. Foreign currency transactions result in exchange rate gains and losses presented in the statement of profit or loss and other comprehensive income. Such exposures are the monetary assets and liabilities of the Fund, denominated in currency other than BGN and EUR.

The Management Company does not plan to hedge the currency exposures in the Fund's portfolio in 2025.

Concentration of foreign currency assets and liabilities on 31 December is as follows:

	Exposure to short-term risk
	Romanian Lei
31 December 2024	
Financial assets	4,635
31 December 2023	
Financial assets	4,329

The tables below show the sensitivity of the annual net financial result after taxes and net assets to possible changes in the exchange rates of the Bulgarian lev against the following foreign currency:

-Romanian Lei +/-0.5%

All other parameters are constant.

These percentages are determined using averaged exchange rate for the last 12 months. The sensitivity analysis is based on the Fund's investments in foreign currency denominated assets, held as per year end.

31 December 2024	Increased exchange rate of BGN		Decreased exchange of BGN	
	Net financial result BGN '000	Net assets BGN '000	Net financial result BGN '000	Net assets BGN '000
Romanian Lei (+/-0.5%)	(17)	(17)	17	17
31 December 2023	Increased exchange rate of BGN		Decreased exchange of BGN	
	Net financial result BGN '000	Net assets BGN '000	Net financial result BGN '000	Net assets BGN '000
Romanian Lei (+/-1.7%)	(67)	(67)	67	67

Exposure to currency risk varies during the year, based on the volume of deals with foreign securities. Although it is assumed, that the analysis, presented above shows the level of currency risk, the Fund is exposed to.

Interest rate risk

Asset value of the Fund depends on the dynamics of interest rates in the economy. The activity of the Fund is subject to the risk of fluctuations in interest rates, as the cost of interest-bearing assets with fixed-rate changes as a result of change in market interest rates. On the other hand, the Fund is exposed on assets with floating interest rates, to interest rate risk, as a result of a change in the interest

rate index, that is linked to the relevant financial instruments. Upon change of 0.1% in interest rates for one year, the effect on net interest income would be negligible.

During the reporting periods, the Fund did not invest in financial assets that carry a significant interest rate risk.

Other price risk

The Fund determines the price risk as the risk of decrease in the price of a financial asset, or portfolio of financial assets, due to factors other than those, arising from interest rate or currency risk.

The Management Company has adopted strict limits on the risk indicators of the positions in the investment portfolio of the Fund. These limits are approved by the Board of Directors of the management company, and their compliance is monitored on a daily basis by the "Risk Management" department.

The Management Company measured general price risk of the investment portfolio through the historic volatility of the net asset value per share, which is measured by the standard deviation.

2024

NAME	CURRENCY	AVERAGE RETURN (annual)	STANDARD DEVIATION
MF ADVANCE INVEST	BGN	12.72%	6.59%

2023

NAME	CURRENCY	AVERAGE RETURN (annual)	STANDARD DEVIATION
MF ADVANCE INVEST	BGN	17.53%	6.93%

Credit risk

Exposure of the Fund to credit risk is limited to the carrying amount of financial assets, recognised at the reporting date, as indicated in note 13.

The Fund defines credit risk as the possibility of reduction in the value of a position in a financial instrument, due to unexpected credit events, related to issuers of financial instruments; the counterparty in exchange and OTC transactions; as well as countries in which they operate.

The Fund distinguishes, assesses and manages the following types of credit risk:

- counterparty risk: risk of default by the contracting party to the OTC deals.
- settlement risk: risk, arising from the possibility that the Fund will not receive the cash or financial instruments on the date of the settlement, after it has fulfilled its obligations, arising from that trade.
- investment credit risk: the risk of reducing the value of an investment in a debt security, due to a credit event with the issuer of the instrument. A credit event includes bankruptcy, insolvency or significant change in the capital structure, reducing the credit rating, and others.

The Management Company of the Fund measures and assesses the counterparty risk and the credit settlement risk by the value of all unsettled transactions with certain counterparty as a percentage from the value of the investment portfolio. It manages these types of risk by setting limits regarding the value of the unsettled transactions with certain counterparty and strictly observes them, counterparty credit risk and the settlement risk are relatively low with respect to the transactions of the Fund as most of the transactions are concluded under DVP terms of settlement.

The Fund measures and assesses investment credit risk by performing credit analysis on issuing companies, monitoring and evaluating events and trends in economic and political conditions. The Fund manages investment credit risk by diversifying investments and limiting the concentration of risk exposures, in accordance with established limits.

In view of the above, the Fund assesses the investment credit risk associated with the Fund's activities as low.

15. Fair value measurement of financial instruments

Financial assets and liabilities carried at fair value in the statement of financial position are grouped into three levels according to the fair value hierarchy. This hierarchy is determined based on the significance of the input information used in determining the fair value of financial assets and liabilities as follows:

- *Level 1* - Quoted prices (unadjusted) in active markets for identical assets or liabilities.;
- *Level 2* - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- *Level 3* - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A financial asset or liability is classified at the lowest level of significant information used to determine its fair value.

The following table provides information on financial instruments at fair value as of 31 December 2024 and 31 December 2023 presented in levels 1 to 3:

As of 31.12.2024 r.	Level 1	Leve 2	Leve 3	Total
Financial assets at fair value through profit or loss				
- Equity instruments	16,182	172	-	16,354
TOTAL	16,182	172	-	16,354

As of 31.12.2023 r.	Leve 1	Leve 2	Leve 3	Total
Financial assets at fair value through profit or loss				
- Equity instruments	12,765	318	-	13,083
TOTAL	12,765	318	-	13,083

The valuation methods and techniques used in determining fair value have not changed from the previous reporting period (see note 4.12.3).

16. Policy and procedures for management of net assets belonging to shareholders

The objectives of the Management company regarding capital management are:

- achieve profitability with minimum risk for investors.
- maintain high liquidity for timely repayment of obligations to investors that could arise when repurchasing shares.
- adequate ratio between cash invested in securities and cash instruments

Capital management of the Fund, and its use to generate income, is performed by the management company in accordance with the regulations, the Prospectus and the Rules of the Fund. It is made under the supervision of the "Risk Management" department, and with active cooperation with the

"Accounting" department, in accordance with the internal structure rules and internal control of the Management company. The Fund's net assets for the presented periods can be analysed as follows:


	As of 31.12.2024	As of 31.12.2023
Net assets, belonging to shareholders	17,238	13,579
Total assets	17,466	13,613
Net assets to net debt ratio	98.69%	99.75%

17. Post-reporting events

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

18. Одобрение на финансовия отчет

The financial statements for the year ended 31 December 2024 (including comparative information) were approved by the Board of Directors of the Management Company Karoll Capital Management EAD, on behalf of, and at the expense of MF Advance Invest, on 24.03.2025.


Daniel Ganev:
 Chief Executive Officer
 Karoll Capital Management EAD


Milena Simova:
 Chief Accountant
 Karoll Capital Management EAD


Bistra Kotseva
 Procurator
 Karoll Capital Management EAD

