# *INDEPENDENT AUDITOR'S REPORT*

To the Bord of directors of EF ASSET MANAGEMENT AD

## Report on the financial statement

### *Opinion*

We have audited the financial statements of Exchange Traded Fund EF Principal ETF (the Fund), which comprise the balance sheet as at 31 December 2024, and the profit and loss statement equity statement and cash flow statement for the year then ended, and note to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and is in accordance with International Financial Reporting Standards adopted by the European Union.

### *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 Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Independent Financial Audit and Assurance on Sustainability Act (IFAASA) that are relevant to our audit of the financial statements in Bulgaria, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IFAASA and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

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



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net

**Valuation of financial assets carried at fair value through profit and loss**

**See Annex 5. Financial assets at fair value through profit and loss to the financial statements.**

| **Key audit matter** | *How this key audit matter was addressed in our audit* |
|---|---|
| As of December 31, the Fund reports financial assets carried at fair value in profit or loss in the amount of BGN 61,535 thousand. which represents over 91.6% of the assets. For us, the valuation of these assets is a key audit issue, due to the material carrying amount and the complexity of material estimates in determining their fair value. The carrying amount of financial assets carried at fair value through profit and loss is a major factor in determining the net asset value of the Fund and, accordingly, has a material impact on financial indicators based on this value and its changes. | In this area, our audit procedures included understanding and navigating the process of measuring financial assets carried at fair value; verification of the existence of financial assets carried at fair value; verification of the adequacy of the assessment and the main assumptions of management; we checked the correctness of the input data; we tested the correctness of accounting for profit from changes in fair value; assessed the completeness and adequacy of the disclosures in the Fund's financial statements. |

## Additional Matters to be Reported

The financial statements of EXCHANGE TRADED FUND EF PRINCIPAL ETF for the year ended December 31, 2024 were audited by another auditor, who issued an auditor's report with an unmodified opinion on these statements dated March 25, 2024.

## Report on Other Legal Requirements under the Accountancy Act

In addition to our responsibilities and reporting in accordance with ISAs, in relation to the management report, we have also performed the procedures added to those required under ISAs. These procedures refer to testing the existence, form and content of this other information to assist us in forming an opinion about whether the other information includes the disclosures and reporting provided for in Chapter Seven of the Accountancy Act applicable in Bulgaria.

### *Opinion in connection with Art. 37, paragraph 6 of the Accountancy Act*

Based on the procedures performed, our opinion is that:

a) The information included in the management report referring to the financial year for which the financial statements have been prepared is consistent with those financial statements.

b) The management report has been prepared in accordance with the requirements of Chapter Seven of the Accountancy Act.



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net

## *Opinion under Art. 100n, para 10 in relation to art. 100n, para 8, p. 3 and 4 of the Public Offering of Securities Act*

As of the date of issuance of this audit report, we do not have a corporate governance declaration and a report on the implementation of the remuneration policy provided by the Management of the Fund, therefore we would not be able to issue an opinion in relation to the Public Offering of Securities (Art. 100n, para. 10 and para. 13 in conjunction with Art. 100n, para. 8, items 3 and 4) applicable in Bulgaria.

## *Additional reporting on the audit of the financial statement in connection with Art. 100(n), para. 4, item 3 of the Law on the Public Offering of Securities*

***Statement in connection with Art. 100(n), para. 4, item 3, b. "b" of the Law on the Public Offering of Securities Act***

The information on transactions with related parties is disclosed in Note Related parties to the separate financial statements. Based on the audit procedures performed on the transactions with related parties, we have not identified any facts or other information, based on which we could conclude that the transactions with related parties are not disclosed in the attached financial statements for the year ended 31 December 2024, in all material aspects, in accordance with the requirements of IAS 24 Disclosure of related parties. The results of our audit procedures regarding transactions with related parties are considered in the context of forming our audit report on the separate financial statements taken as a whole, and not with the purpose of expressing the audit opinion on transactions with related parties.

***Statement in connection with Art. 100(n), para. 4, item 3, b. "c" of the Law on the Public Offering of Securities Act***

Our responsibilities for the audit of the separate financial statements as a whole, described in the section Auditors' Responsibilities for the Audit of the separate financial statements include assessment whether the separate financial statements present true and fair view of material transactions and events. Based on the audit procedures performed on the material transactions, underlying the separate financial statements for the year ended 31 December 2024, no facts circumstances or other information have come to our attention, based on which we can conclude that there are cases of material misstatements and disclosures in the separate financial statements in accordance with the requirements of IFRS, adopted by EU. The results of our audit procedures on the material transactions and events related to the Fund are considered in the context of forming our audit report on the separate financial statements taken as a whole, and not with the purpose of expressing the audit opinion on these material transactions.

## *Reporting according to Art. 10 of Regulation (EU) No. 537/2014 in connection with the requirements of Art. 59 of the Law on the Independent Financial Audit*

In accordance with the requirements of the IFAASA in connection with Art. 10 of Regulation (EU) No 537/2014, we hereby additionally report the information stated below.

- Nikolay Polinchev was appointed as a mandatory auditor of the financial statement for the year ending on 31.12.2024 of Exchange Traded Fund EF Principal ETF from The Board of Directors of EF ASSET MANAGEMENT AD at a meeting held on 21-06-2024, for a period of one year



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net

- The audit of the Fund's financial statements for the year ended 31.12.2024 represents the firs full continuous statutory audit engagement of this entity undertaken by us.
- We confirm that the audit opinion expressed by us is in accordance with the additional report submitted to the audit committee of the Fund, in accordance with the requirements of Art. 60 of the Law on the IFAASA.
- We confirm that we have not provided the specified in Art. 64 of the IFAASA prohibited non-audit services.
- We confirm that in carrying out the audit we have maintained our independence from the Fund.
- For the period covered by our mandatory audit, apart from the audit, we have not provided any other services to Exchange Traded Fund EF Principal ETF, which are not specified in the activity report or financial statement of Exchange Traded Fund EF Principal ETF

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

Management is responsible for the other information. The other information comprises the management report, prepared by management in accordance with Chapter Seven of the 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, unless and to the extent explicitly specified in our report.

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 our knowledge obtained in the audit or otherwise 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 is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards adopted by the European Union 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net

## 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 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.

Additional details for our responsibility are shown in an attachment to the present report.

Certified public accountant:

Nikolay Polinchev, cpa 684

Date: 25.03.2025



Digitally signed by Nikolay Mihailov Polinchev
Reason: Signed for identification purposes.



*Nikolay Polinchev*
Sofia,15 Geo Milev str. ap.10
*Tel: + 359 2 4 114 114*
*e-mail:nibos@nibos.net*
*www.nibos.net*

## Annex to the Report of the independent auditor on financial statement of Exchange Traded Fund EF Principal ETF for 2024

### *Responsibility of the auditor for the audit of the consolidated financial statement*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 Fund'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 Fund 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net

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

.



Nikolay Polinchev
Sofia,15 Geo Milev str. ap.10
Tel: + 359 2 4 114 114
e-mail:nibos@nibos.net
www.nibos.net