

**EASY ASSET MANAGEMENT IFN S.A**  
**BALANCE SHEET**  
**December 31<sup>st</sup> 2019**

ASSET	Position Code	Obs.	Financial year	
			2018	2019
A	B	C	1	2
Cash and other assets	010	2	444,716	549,264
Receivables on credit institutions	030	3	<b>7,595,811</b>	<b>3,788,655</b>
- on sight	033		7,595,811	3,788,655
- Other receivables	036			
Receivables on clients	040	4	46,069,663	58,778,740
Bonds and other fixed income securities	050			
- issued by public entities	053			
- issued by other issuers, of which:	056			
- own bonds	058			
Shares and other variable income securities	060			
Participations, of which:	070			
- participation in credit institutions	075			
Shares in related companies, of which:	080			
- shares within credit institutions	085			
Intangible assets, of which:	090	5	185,446	129,642
- set up expenses	093			
- commercial grounds, to the extent that it was purchased against payment	096			
Tangible assets, of which:	100		2,694,715	2,463,764
- lands and constructions used for the purpose of carrying out own activities	105			
Non-paid subscribed capital	110			
Other assets	120	6	935,407	16,459,857
Pre-recorded expenses and incomes incurred	130	7	5,129,270	5,743,516
<b>Total assets</b>	<b>140</b>		<b>63,055,028</b>	<b>87,913,438</b>

**ADMINISTRATOR,**  
Surname and Name Alben Mitarev  
Signature

**MADE BY**  
Surname and Name Arsene Cristina  
Position Financial Manager  
Signature

**EASY ASSET MANAGEMENT IFN S.A**

**BALANCE SHEET**

**December 31<sup>st</sup> 2019**

OBLIGATIONS AND OWNERSHIP	Position Code	Obs.	Financial year	
			2018	2019
A	B	C	1	2
Debt on credit institutions	300			
- in sight	303			
- on term	306			
Debt on the clients	310	9	678,824	752,093
- in sight	317		678,824	752,093
- on term	318			
Debts evidenced by securities	320			
- bonds	323			
- other titles	326			
Other debts	330	10	22,392,294	30,898,864
Pre-recorded income and debt incurred	340	11	2,978,254	5,890,015
Provisions:	350		2,170,815	2,088,190
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356		2,170,815	2,088,190
Subordinated debt	360			
Subscribed share capital	370	13	10,167,084	13,721,683
Capital premium	380			
Reserves	390		1,211,248	2,003,011
- legal reserves	392		1,211,248	2,003,011
- statutory or contractual reserves	394			
- other reserves	399			
Revaluation reserves	400			
Own shares (-)	410			
Reported result				
- Profit	423		12,958,538	23,456,509
- Loss	426			
The result of the financial year				
- Profit	433		11,336,585	9,894,836
- Loss	436			
Distribution of profit	440	14	(838,614)	(791,763)
<b>Total debt and own capital</b>	<b>450</b>		<b>63,055,028</b>	<b>87,913,438</b>

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**EASY ASSET MANAGEMENT IFN S.A**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31<sup>st</sup> 2019**

Indicator's name	Position Code	Obs.	Financial year	
			2018	2019
A	B	C	1	2
Interest to be received and similar revenues, of which:	010	15	83,633,345	127,734,956
- related to bonds and other fixed income securities	015			
Interest payable and similar expenses	020		(32,406)	(47,643)
Securities income	030			
- Income from shares and other variable-yield securities	033			
- Income from participations	035			
- Incomes from parties in related companies	037			
Income from commissions	040		-	-
Commission expenses	050	16	(151,336)	(91,612)
Net profit or loss from financial operations	060	17	(68,310)	(384,741)
Other operating revenues	070	18	30,695,473	9,326,014
General administrative expenses	080		(50,560,380)	(58,144,778)
- Personnel expenses, of which:	083	19	(35,617,089)	(38,165,252)
- Salaries	084		(33,496,555)	(36,300,860)
- Social securities and welfare contribution, of which:	085		(2,120,534)	(1,864,392)
- pension related expenses	086		(10,679)	1,035
- Other administrative expenses	087	20	(14,943,291)	(19,979,526)
Value adjustments on tangible and intangible assets	090		(521,882)	(698,070)
Other operating expenses	100	21	(32,204,738)	(46,405,198)
Adjustments on the value of receivables and provisions for contingent liabilities and commitments	110	22	(41,283,266)	(53,844,903)
Resumes from adjustments on the value of receivables and provisions for contingent liabilities and commitments	120	23	26,865,052	38,391,236
Adjustments on the value of transferable securities that have the character of financial fixed assets, participations and shares within related companies	130			
Resumes from adjustments on the value of transferable securities that have the character of financial assets, participations and shares within related companies	140			
<b>Result from current activity</b>				
- Profit	153	24	16,371,552	15,835,261
- Loss	156			
Extraordinary revenues	160			
Extraordinary expenses	170			
<b>Result from extraordinary activity</b>				
- Profit	183			
- Loss	186			

**EASY ASSET MANAGEMENT IFN S.A**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31<sup>st</sup> 2019**

Indicator's name	Position Code	Obs.	Financial year	
			former	ended
A	B	C	1	2
<b>Total incomes</b>	190		141,493,913	175,587,450
<b>Total expenses</b>	200		125,122,361	(159,752,189)
<b>The gross result</b>				
- Profit	213		16,371,552	15,835,261
- Loss	216			
<b>Income tax</b>	220		(1,437,378)	(5,940,425)
Other taxes that do not appear in the above items	230			
<b>The net result of the financial year</b>				
- Profit	243		<b>6,015,296</b>	<b>9,894,836</b>
- Loss	246			

**ADMINISTRATOR,**  
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**MADE BY**  
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**EASY ASSET MANAGEMENT IFN S.A**  
**CASH FLOW STATUS**  
**FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31<sup>st</sup> 2019**

Indicator's name	Position Code	Obs.	Financial year	
			former	ended
<b>Cash flows from operating activities</b>				
+ cash receipts from interest and commissions	01		-	-
- cash payments representing interest and commissions	02		(136,833)	(86,245)
+ cash receipts from recoveries of amortized receivables	03			
- cash payments to employees and suppliers of goods and services	04		(54,051,493)	(62,462,841)
± other incomes received / expenses paid in cash from the operating activity	05		8,603,880	8,661,833
Cash flows from the operating activity, excluding changes in the assets and liabilities of the operating activity and the profit tax paid (rows 01 to 05)	06		<b>(45,584,446)</b>	<b>(53,887,253)</b>
<i>Increases / decreases in assets related to the operating activity</i>				
± increases / decreases of securities that are not financial assets	07			
± increases / decreases in receivables from credit institutions	08			
± increases / decreases in receivables from customers	09		48,222,635	59,430,165
± increases / decreases of other assets related to the operating activity	10			
<i>Increases / decreases in liabilities related to operating activity</i>				
± increases / decreases of debts regarding credit institutions	11			
± increases / decreases in customer debts	12			
± increases / decreases of other liabilities related to the operating activity	13			
Cash flows from the operating activity, excluding the paid income tax (rows 06 to 13)	14		<b>2,638,189</b>	<b>5,542,912</b>
- cash payments representing the profit tax	15		(2,138,327)	(8,498,625)
<b>Cash flows from operating activities (row 14 + row 15)</b>	16		<b>499,862</b>	<b>(2,955,713)</b>
<b>Cash flows from investment activities</b>				
- cash payments for the acquisition of subsidiaries or other subunits	17			
+ cash receipts from the sale of subsidiaries or other subunits	18			
- cash payments for the purchase of securities that have the character of financial fixed assets	19			
+ cash receipts from the sale of securities that have the character of financial assets	20			
+ cash receipts representing interest received	21			
+ cash receipts representing dividends received	22			
- cash payments for the acquisition of land and fixed assets, intangible assets and other long-term assets	23		(390,734)	(170,908)
+ cash receipts from the sale of land and fixed assets, intangible assets and other long-term assets	24			
- other cash payments related to investment activities	25			
- other cash receipts from investment activities	26			
<b>- Cash flows from investment activities (rows 17 to 26)</b>			<b>(390,734)</b>	<b>(170,908)</b>

- lei -

Indicator's name	Position	Obs.	Financial Year
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**EASY ASSET MANAGEMENT IFN S.A**  
**CASH FLOW STATUS**  
**FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31<sup>st</sup> 2019**

	code		former	ended
<b>Cash flows from financing activities</b>				
+ cash receipts from debts constituted by securities and subordinated debts	28			
- cash payments related to debts constituted by securities and subordinated debts	29			
+ cash receipts from the issue of shares or parts	30			
- cash payments for the purchase of shares or own parts	31			
+ cash receipts from the sale of shares or own parts	32			
- cash payments representing dividends	33			
- other cash payments related to financing activities	34		(18,416,531)	(13,750,000)
+ other cash receipts from financing activities	35		24,665,239	13,174,015
<b>Cash flows from financing activities (rows 28 to 35)</b>	36		<b>6,248,708</b>	<b>(575,985)</b>
± The effect of exchange rate changes on cash	37			
<b>Cash flows - total (row 16 + row 27 + row 36 + row 37)</b>	38		<b>6,357,836</b>	<b>(3,702,606)</b>
<b>Cash at the beginning of the period</b>	39		<b>1,682,690</b>	<b>8,040,526</b>
<b>Cash at the end of the period (row 38 + row 39)</b>	40		<b>8,040,526</b>	<b>4,337,920</b>

**ADMINISTRATOR,**  
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**MADE BY**  
**Surname and Name Arsene Cristina**  
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**EASY ASSET MANAGEMENT IFN S.A**  
**STATUS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED ON DECEMBER 31<sup>st</sup> 2019**

Component of equity	Obs.	Balance at January 1 <sup>st</sup>	Increases		Cuts		Balance at December 31 <sup>st</sup>
			Total, of which	Via transfer	Total, of which	Via transfer	
	1	2	3	4	5	6	7
Subscribed capital		10,167,084	3,554,600	-	-	-	13,721,684
Capital premiums				-	-	-	
Legal reserves		1,211,248	791,763	-	-	-	2,003,011
Reported result		-	-	-	-	-	-
Undistributed profit		12,958,538	10,497,971	-	-	-	23,456,509
Loss not covered		-	-	-	-	-	-
Creditor balance		-	-	-	-	-	-
Result of the financial year		-	-	-	-	-	-
Creditor balance		11,336,585	9,894,836	-	11,336,585	-	9,894,836
Profit distribution		-	-	-	-	-	-
Debtor account		(838,614)	(791,763)	-	(838,614)	-	(791,763)
<b>Total</b>		<b>34,834,841</b>	<b>23,947,407</b>	<b>-</b>	<b>10,497,971</b>	<b>-</b>	<b>48,284,277</b>

**ADMINISTRATOR,**  
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**Signature**

**Made by**  
**Surname and Name Arsene Cristina**  
**Position Financial Manager**  
**Signature**

**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**REPORTING ENTITY**

*SC EASY ASSET MANAGEMENT IFN SA  
Tax Identification Code 28042464  
J40/1680/2011  
BUCHAREST, 3<sup>rd</sup> District  
67 Logofăt Tautu Street*

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

The main accounting policies adopted in these financial statements are presented below:

**A. The basics of drawing up Financial Statements**

(1) General information

These financial statements have been prepared in accordance with:

- (i) Law no. 93/2009 on non-banking financial institutions;
- (ii) Order of the Governor of the National Bank of Romania no. 6/2015 for the approval of the Accounting Regulations compliant with the European directives applicable to credit institutions, non-banking financial institutions and the Deposit Guarantee Fund in the banking system with subsequent modifications ("NBR Order no. 6/2015");
- (iii) Regulation of the National Bank of Romania no. 5 of March 8th 2012 on the classification of loans and advances and the establishment, adjustment and use of specific credit risk provisions as amended ("Regulation 5/2012");
- (iv) Regulation of the National Bank of Romania no. 20 of October 13th 2009 on non-banking financial institutions, as amended and supplemented ("Regulation 20/2009").

These financial statements have been prepared on the basis of the historical cost convention, except as set out below in accounting policies.

(2) Use of estimates



Drawing up financial statements in accordance with the NBR Order no. 6/2015 requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of the assets and liabilities as of the date of preparation of the financial statements and the income and expenses reported for that period. Although these estimates are made by the Company's management on the basis of the best information available at the time of the financial statements, the results achieved may differ from those estimates.

(3) Continuity of activity

These financial statements have been prepared on a continuity of activity basis, which assumes that the Company will continue its business in the foreseeable future. In order to assess the applicability of this preliminary note, the management analyzes the forecasts of future cash inflows and shareholder support.

Based on these assessments, the management believes that the Company will be able to continue its business in the foreseeable future.

(4) The presentation currency of the financial statements

In accordance with Order 6/2015, the presentation currency of the financial statements is the Romanian Leu ("RON"), which is also the functional currency of the Company.

The financial statements are prepared and presented in RON, rounded to the leu.

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

**B Conversion of transactions in foreign currency**

The transactions of the Company in foreign currency, are recorded at the exchange rates communicated by the National Bank of Romania ("NBR") on the settlement date of the transactions. At the end of each month, foreign currency balances are converted into RON at the exchange rates communicated by the NBR for the last banking day of the month. Gains and losses arising from the settlement of transactions in a foreign currency and from the translation of foreign currency assets and liabilities denominated in foreign currency are recognized in the income statement under "Net profit or loss on financial operations".

The exchange rates at December 31st 2018 for the main currencies that had a material impact on the Company's financial statements were:

<b>Foreign currency</b>		<b>Exchange rate (lei for 1 unit of foreign currency) December 31<sup>st</sup> 2019</b>
Euro	EURO	4,7793
American Dollar	USD	4,2608

### **C. Intangible assets**

Intangible assets are initially measured to cost. After the initial recognition, intangible assets are recorded at cost less cumulative depreciation and accumulated impairment losses.

All intangible assets in the balance at 31 December 2019 are amortized using the straight-line method.

#### *(i) Concessions, patents, licenses, trademarks, similar rights and assets*

Concessions, patents, licenses, trademarks, similar rights and assets are recorded at the acquisition cost or the value of the consideration.

Patents, licenses, trademarks and similar assets are amortized using the straight-line method over a three-year period.

#### *(ii) Advances and other intangible assets*

Within the framework of advances and other intangible assets are recorded the advances granted to suppliers of intangible assets, software programs created by

the entity or purchased from third parties for own use needs, as well as other intangible assets.

#### **D. Tangible assets**

##### **(1) Cost / evaluation**

Tangible assets are initially measured at acquisition cost. Purchase costs include the purchase price, non-recoverable charges, transportation costs, and other expenses required to the commissioning of the asset.

The Company did not record revaluations of tangible assets, which are kept at historical cost.

Maintenance and repair of tangible assets are expensed when incurred and significant improvements in tangible assets that increase their value or life span or significantly increase their ability to generate economic benefits are capitalized.

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### **EASY ASSET MANAGEMENT IFN S.A. OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

#### **1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

##### **(2) Depreciation**

Depreciation is calculated at incoming value, using the straight-line method over the estimated useful life span of the asset as follows:

<b>Asset</b>	<b>Years</b>
Technical installations and machinery	1-8
Other installations, equipment and furniture	3-10
Means of transport	4-5

Depreciation is calculated from the month following commissioning to the full recovery of their entry value.

##### **(3) Sale / disposal of tangible assets**

Tangible assets that are scrapped or sold are removed from the balance sheet together with the appropriate cumulative depreciation.

Any profit or loss that arises as a liability between the income from the expropriation and its unearned amount, including the occasional cost of such an operation, is included in the profit and loss statement in "Other operating incomes" or " Other operating expenses", as appropriate,

When the Company acknowledges in the accounting value of an intangible asset the cost of a partial replacement (the replacement of a component), the accounting value of the replaced component together with the related depreciation is written off.

#### **E. Impairment of the intangible assets**

At the end of the financial year, the value of the tangible and intangible assets is agreed with the inventory results. For this purpose, the net book value is compared to the inventory value, called inventory value. The differences noted in the minus between the inventory value and the net accounting value of the intangible items are recorded in the books on the account of an additional amortization, in the case of amortized assets for which the depreciation is irreversible or an adjustment for impairment or impairment is made when the depreciation is reversible. The inventory value is determined by the utility of the asset, its status and the market price.

#### **F. Financial Assets**

Financial assets are initially recognized in the balance sheet at acquisition cost. The acquisition cost also includes transaction costs. Financial assets are subsequently measured at cost less the adjustments cumulated for value impairment.

#### **G. Other claims**

Commercial receivables are recorded in the balance sheet at the invoiced amount less the provision for the impairment of these receivables. The provision for impairment of commercial receivables is established if there are objective evidence that the Company will not be in a position to collect all amounts at its original dates.

#### **H. Receivables on credit institutions**

Credit institutions receivables represent the Company's holdings in current accounts and bank deposits.

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

**I. Claims on clients and specific credit risk provisions**

*(i) Evaluation*

Receivables on clients include loans granted by the Company in consumer credit loans and in the form of loans and are recorded at cost less provision for impairment. The cost of credits is defined as the advanced funds, minus the total refunds. All credits are acknowledged when the funds are made available to the clients.

*(ii) Credit risk provisions*

Credit risk provisions are based on the valuation of the loan portfolio and advances, including interest and non-paid penalties. Provisions are recorded in the profit and loss statement, and in the balance sheet they are deducted from the total undrawn loans and interest.

Credit risk provisions are established on the basis of Regulation 5/2012 on the classification of loans and investments as well as the establishment, regulation and use of specific credit risk provisions; Regulation 5/2012 on the classification of credits and investments, as well as the establishment, regulation and use of specific credit risk provisions; Regulation 5/2012 on the reporting of situations regarding the classification of credit / investment exposures, and the need for specific credit risk exposures related thereto.

The regulation applicable to non-banking financial institutions regulates:

- a) the classification of loans granted to non-banking financial sector clients;
  - b) determining the need for specific credit risk provisions for classified loans;
- and

c) the establishment, regulation and use of specific credit risk provisions.

(iii) *Provisions for risk arising from litigation against the company* - provisioning on the basis of the report received from the legal department assessing the risk of payment of possible damages, penalties and court costs.

(iv) *Risk provisions for the payment of not-executed leave* - the provision of benefits based on the ratio provided by the human resources department that quantifies the number of days owed and not executed by all employees of the company until the closing of the year. The value of these days is calculated and registered as a provision.

(v) *Provisions for closed and suspicious credits to be defrauded* - provisioning on the basis of the report received from the legal department assessing the risk of non-payment of these credits.

(vi) *Provisions on bonus loyalty points* - provisioning based on the report received from colleagues in the group providing information on credits that have accumulated bonus points and bonus points value.

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

**I. Claims on clients and Specific Credit Risk Provisions (continued)**

Specific provisions are constituted for granted credit agreements, considered to be non-performing in accordance with internal rules and regulations. For credit agreements, the procedure takes into account both the debt service history of interest payments and of the principal at maturity, as well as the initiation of court proceedings on non-performing loans. Such an assessment results in the classification of loans into five categories as follows:

<b>Debt servicing</b>	<b>Judicial proceedings</b>	<b>No judicial proceedings</b>	<b>Debt recovery proceedings</b>
0-15 days		Standard	Loss

16-30 days	In observation	Loss
31-60 days	Substandard	Loss
61-90 days	Ambiguous	Loss
Minimum 91 days	Loss	Loss

Determining the need for specific credit risk provisions is made by applying the relevant floating coefficient to the base calculations obtained as follows:

Classification category		Credits registered in lei to those granted to debtors natural persons
Standard		0
In observation		0,05
Substandard		0,20
Ambiguous		0,50
Loss		1,00

Loans granted to one debtor fall into one category of classification based on the principle of declassification by contamination, namely taking into account the weakness of the individual classification categories.

The basis for calculating the provisions is determined by deducting from the exposure of the Company to the debtor of the guarantees accepted to be taken into account, weighted by the deduction coefficient, according to the provisions of Regulation 5/2012 ("adjusted exposure").

In 2019, there were warranties that the company took into account in setting up provisions for the category of mortgage loans.

Establishment of specific credit risk provisions is made by including on expenses the amount representing the level of specific credit risk provisions.

The use of specific credit risk provisions refers to the cancellation of specific credit risk provisions and **is made by the resumption on incomes of the amount representing the existing level in the balance of the specific credit risk provisions for loans for which one of the following conditions is met:**

- all legal remedies for recovery have been exhausted or the term of prescription has been fulfilled; or
- the contractual rights related to that credit have been transferred.

**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

**J. Cash and cash equivalents**

Cash and cash equivalents are recognized in the balance sheet at historical cost. For the cash flow statement, cash and cash equivalents include cash over the counter, current bank accounts, and bank deposits with an initial maturity of less than 3 months.

**K. Equity capital**

13,721,684 lei

**L. Loans**

Short-term and long-term loans are initially recorded at the amount received, net of borrowing costs.

**M. Credit Contracts**

Loan represents any commitment to pay a sum of money in exchange for the right to repayment of the payment, as well as to the payment of interest or other expenses related to this amount.

**N. Commercial debt**

Commercial debts are recorded at the value of the amounts to be paid for the goods or services received.

**O. Provisions for risks and expenses**

The risk and expense provisions are recognized when the Company has a legal or constructive obligation arising from a previous event, when for the settling of the



obligation it is probable that an outflow of resources will be required and when a credible estimate can be made as to the amount of the obligation.

## **P. Employee Benefits**

### *Pensions and other benefits after retirement*

In the normal course of business, the Company makes payments to health, pension and state unemployment funds for its employees. All Company employees are members of the Romanian State Pension Plan. These costs are recognized in the income statement with the recognition of salaries.

The Company does not operate any other retirement or benefit plan and therefore has no other obligations regarding pensions.

## **Q. Taxation**

### *(i) Current income tax*

In accordance with Romanian tax regulations, the current income tax calculation starts from the result of the financial year, corrected by deductibles and the non-deductible items at which the tax rates are in force at the date of conclusion of the accounting balance.

The annual loss determined by the income tax return is recovered from the taxable profits obtained over the next 7 consecutive years for the annual losses registered as of 2010. Recovery of the losses will be made in the order of their registration, at each term of payment of the profit tax, according to the Romanian legal provisions in force since the year of their registration.

### *(ii) Deferred tax*

The Company does not recognize deferred tax.

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## **EASY ASSET MANAGEMENT IFN S.A. OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

### **1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

#### **R. Revenues and interest expenses**

Interest income and expenses is recognized in the profit and loss statement in accordance with the accrual basis.

Interest income and expenses also include amounts resulting from the staggering of any premium or discount between the initially recognized amount of an asset or liabilities contracted and their corresponding amount from maturity.

Interest income and expenses also include the amortized value of commissions for financial services using the effective interest method, which is a method of depreciable cost of a financial asset or financial liability and of income or interest expenses over a relevant period of time. The effective interest rate is the exact rate that updates the estimated future cash flows to be paid or to be received over the lifespan of the financial instrument.

The Company estimates future cash flows taking into account all contractual terms of the financial instrument (for example, prepayments, commissions and others), but does not take into account future credit losses. The calculation method includes all fees and commissions paid or received between the contractual parties, which are an integral part of the effective interest.

Commissions that are an integral part of the effective interest rate of a financial instrument are a compensation for activities such as assessing the debtor's financial position, assessing and recording collaterals, collaterals and other similar contracts, negotiating financial instrument clauses, drafting and processing documents, and the conclusion of the transaction in the case of granting credits, commitment fees received for a credit, when granting one credit and other simulated amounts are probable. These commissions, together with the related transaction costs, are deferred and recognized as an adjustment to interest income using the effective interest rate method. The non-amortized portion of these commissions is reflected as income or expenses previously recorded.

Related transaction costs are directly attributable to credit costs that would not have occurred if the Company had not granted the credit. Transaction costs include fees and commissions paid to third parties and do not include financing costs or administrative internal costs.

Interest receivable and assimilated income comprise interests from the main activity of the Company represented by "Consumer Credit Granting".

Interest incomes and expenses also include the amounts resulting from the staggering of any premium between the initially recognized amount of an asset or the contracted liability and its corresponding amount from the due date.

#### **S. Income and commission expense**

Earnings from commissions arise from the financial services offered by the Company, that is, from meeting the requirements of the clients.

Expenditure on commissions includes expenditure on services rendered by third parties, such as commissions for the payment of commercial transactions and other expenses or incomes related to them, account management expenses.

Recognition of commission income or expenses depends on their economic nature. Thus, by economic nature, commissions fall into three categories;

- Commissions that are an integral part of the effective interest rate of a financial instrument (eg credit granting commission), the accounting treatment applicable to this type of commission being described under "Interest incomes and expenses".
- Commissions earned on provision of services recognized in the profit or loss account as a result of the provision of services or during the period of commitment. Such commissions include, inter alia, commissions for managing a loan.
- Commissions earned on the fulfillment of a principal contractual obligation recognized in the profit or loss statement when performing the significant service.

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### **EASY ASSET MANAGEMENT IFN S.A. OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

#### **1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

##### **T. Other operating incomes and expenses**

These are accrued on accrual basis in the period covered.

In these financing situations, incomes and expenses are presented at gross value, in the balance sheet, debts and receivables from the same partners are presented at net value when there is a clearing right.

## **U. Assets and contingent liabilities**

### *(i) Contingent assets*

A contingent asset is a potential asset that arises as a result of events prior to the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that cannot be wholly under the control of the Company.

Consecutive assets are not recognized in the financial statements because they are not certain, and their recognition may result in the recognition of an income that is never realized.

If the realization of an income is secure, the related asset is not a contingent asset and its recognition in the balance sheet is established during the period in which the changes occurred. Contingent assets, if any, are continuously evaluated to ensure that changes in the financial statements are reflected in the financial statements.

### *(ii) Contingent liabilities*

A contingent liability is a potential obligation arising as a result of past events prior to the balance sheet date and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not under the control of the Company or a current obligation arising from past events prior to the balance sheet date but not recognized because it is not certain that resources will be required to incorporate economic benefits for the settlement of the liability or the amount of the liability can not be measured reliably. Contingent liabilities are not recognized in the balance sheet, as they are presented in items outside the balance sheet. If the Company has an obligation jointly with other parties, the share assumed by the other parties is presented as a contingent liability. The contingent liabilities are continuously measured to determine whether a resourced income that is likely to have economic benefits has become probable. If it becomes probable that an outflow of resources will be required that incorporates the economic benefits of an item previously considered contingent liability, a provision is recognized in the financial statements for the period in which the change occurred, except where no credible estimate can be made and, as a result, there will be a liability that can not be recognized as a contingent liability.

## **V. Affiliated parties**

An entity is affiliated to the Company if it meets the following conditions:

- The entity and the Company are part of the same group;
- The entity is an associate of the Company or a joint venture;
- Both are joint ventures of the same third party;
- It is a third-party association, and the other entity is a third-party affiliate;
- The entity is a post-employment benefit plan for the benefit of the Company's employees or an affiliated entity of the Company (if the Company itself is such a plan, employers who finance the plan are also affiliates of the Company);
- The entity is controlled or jointly controlled by a person or a close member of its family who (a) holds the control or joint control of the Company, or (b) has significant influence over the Company; or (c) is a member of the key personnel of the management of the Company or the management of a parent company of the Company.

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)**

**V Affiliated Parties (continued)**

In considering each possible link of affiliation, the attention is directed both to the substance of this connection and to the legal status.

**W. Dividends**

Dividends are treated as distributions of profit for the period in which they are declared and approved by the General Meeting of Shareholders, in proportion to the share of equity.

In accordance with the provisions of Law no. 31/1990 on commercial companies, if there is a loss of the net asset, the subscribed share capital will have to be incomplete or reduced before any repartition or distribution of profit can be made.

**X. Statutory reserves**

Statutory reserves are annual transfers from the retained earnings in accordance with Romanian legal regulations that specify that 5% of the Company's gross profit should be transferred to an distributable reserve account until the reserve

reaches the level of 20% of the share capital of the Company. Statutory reserves are not distributable to shareholders.

#### Y. Comparative

Where necessary, comparative amounts have been adjusted and reclassified to reflect the presentation changes in the current period in accordance with Order 6/2015 with subsequent amendments and additions.

#### Z. Post Balance Sheet Events

The effect of post-balance sheet events that provide additional information in relation to the Company's financial position and that requires adjustments is re-accounted for in the balance sheet and in the profit or loss statement, as appropriate. Significant events that do not require adjustments are highlighted in the notes to the financial statements.

#### 2. CASH AND CASH EQUIVALENTS

		December 31 <sup>st</sup> 2018	December 31 <sup>st</sup> 2019
Cash	lei	444.716	549.264

#### 3. CLAIMS ON CREDIT INSTITUTIONS

		December 31 <sup>st</sup> 2018	December 31 <sup>st</sup> 2019
Current bank accounts in foreign currency		638,616	23,459
Current bank accounts in lei		6.957.194	3.765.196
TOTAL		7.595.810	3.788.655

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**EASY ASSET MANAGEMENT IFN S.A.**  
**OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

#### 4. CLAIMS ON CLIENTS

	December 31 <sup>st</sup> 2018	December 31 <sup>st</sup> 2019
<b>a) personal consumer loans</b>		
Personal consumer loans	77,451,797	100,761,036
Provisions expenses	(31,382,135)	(41,982,296)
<b>Total</b>	<b>46,069,662</b>	<b>58,778,740</b>
<b>b) Attached interest receivables and penalties</b>		
Attached interest receivables	20,947,006	30,511,893
Penalties	7,416,256	3,367,240
Provisions expenses	(23,519,781)	(28,490,862)
<b>Total</b>	<b>4,843,481</b>	<b>5,388,271</b>
<b>Movement of adjustments for the impairment of receivables</b>		
	2018	2019
Balance at the beginning of the period	<b>(41,215,897)</b>	<b>(54,901,915)</b>
Expenditure with adjustments for the impairment of receivables	(40,483,871)	(53,590,789)
Income from resuming adjustments for the impairment of receivables	26,797,852	38,019,545
<b>Balance at the end of the period</b>	<b>(54,901,915)</b>	<b>(70,473,159)</b>
Provision for the principal	(31,382,135)	(41,982,296)
Provision for the interest	(15,670,290)	(24,432,872)
Provision for the penalties	(2,637,939)	(2,975,746)
Provision - criminal clause	(4,692,094)	(337,794)
Provision commissions	(519,457)	(744,451)
<b>c) Other provisions</b>		
	2018	2019
Balance at the beginning of the period	<b>(1,567,427)</b>	<b>(2,170,815)</b>
Expenditure with adjustments for the impairment of receivables	(670,588)	(254,114)
Income from resuming adjustments for the impairment of receivables	67,200	371,690
<b>Balance at the end of the period</b>	<b>(2,170,815)</b>	<b>(2,088,190)</b>
Other provisions - days of leave	(1,644,292)	(1,898,406)
Other provisions - disputes	(467,839)	(131,100)
Other provisions - loyalty	(58,684)	(58,684)

**EASY ASSET MANAGEMENT IFN S.A.**  
**OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

**5. TANGIBLE/INTANGIBLE ASSETS**

At December 31<sup>st</sup>, 2018, the net book value was as follows:

Gross value of asset items	Position code	Initial balance	Increases	Discounts		Final balance (col.5=1+2-3)
				Total	Out of which: dismantling And cassation	
		1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
<b>A</b>	<b>B</b>					
INTANGIBLE ASSETS						
Goodwill	101	-	-	-	-	345
Incorporation expenses	102	345				
Other intangible assets	103	505,895	44,925		X	550,820
Ongoing advances and intangible assets	104	0	466		X	466
<b>TOTAL (pos. 101 to 104)</b>	<b>105</b>	<b>506,240</b>	<b>45,391</b>		<b>X</b>	<b>551,631</b>



TANGIBLE ASSETS						
Lands	106	-	-	-	--	-
Landscaping	107	-	-	-	-	-
Buildings	108	-	--	-	-	-
Technological equipment (machines, machinery, and equipment)	109	-	--	-	-	-
Measuring, control and regulating apparatus and instruments	110	813,449	110,890		0	924,339
Means of transport	111	2,442,750	246,262			2,689,012
Furniture, office equipment, protective equipment for human and material assets and other tangible assets	113	36,712	28,974	33,478	0	32,208

Ongoing advances and tangible assets	114				X	
TOTAL (pos. 106 to 114)	115	3,292,911	386,126	33,478		3,645,559
<b>FINANCIAL ASSETS</b>						
Public effects and assimilated values	116	-	-	-	-	-
Obligations and other fixed income securities	117	-	-	-	-	-
Shares in group companies	118	-	-	-	-	-
Holdings and portfolio activities	119	-	-	-	-	-
TOTAL (row 116 to 119)	120	-	-	-	-	-
<b>NON-CURRENT ASSETS - TOTAL</b>						
(row 105+115+120)	121	3,799,151	431,517	33,478	-	4,197,190

EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
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5. TANGIBLE/INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT/ AMORTISATION/ PROVISIONS

AMORTISATION RELATED TO ITEMS OF PROPERTY	Position code	Initial balance	Amortisation during the year	Amortisation related to property out of the records	Amortisation at the end of the year (col.9=6+7-8)
A	B	6 (1)	7 (2)	8 (3)	9 (4)
<b>INTANGIBLE ASSETS</b>					
Goodwill	131				345
Incorporation expenses	132	345	0	-	
Other intangible assets	133	320,449	101,195	-	421,644
<b>TOTAL (pos. 131 to 133)</b>	134	<b>320,794</b>	<b>101,195</b>	-	<b>421,989</b>
<b>TANGIBLE ASSETS</b>					

Lands	135	-	-	-	-
Buildings	136	-	-	-	-
Technological equipment (machines, machinery, and equipment)	137	272,496	107,439	13,277	366,658
Measuring, control and regulating apparatus and instruments	138	-	-	-	-
Means of transport	139	325,700	489,436	-	815,136
Furniture, office equipment, protective equipment for human and material assets and other tangible assets	141	-	-	-	-
TOTAL (pos. 135 to 141)	142	598,196	596,875	13,277	1,181,794
<b>AMORTISATION - TOTAL (pos. 134+142)</b>	143	918,990	698,070	13,277	1,603,783

**EASY ASSET MANAGEMENT IFN S.A.  
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**6. OTHER ASSETS**

	December 31 <sup>st</sup> 2018	December 31 <sup>st</sup> 2019
MEDICAL LEAVES CONTRIB 0.75%	535,198	377,665
TAXABLE NON-RESIDENTS	6,786	6,830
ADVANCES GRANTED TO STAFF	1,656	1,656
PAID UP GUARANTEE DEPOSITS	272,219	313,655
OTHER VARIOUS DEBTORS	117,445	15,687,855
VARIOUS DEBTORS	289,174	324,126
OTHER STOCKS	2,102	2,292
ADJUSTMENTS ABOUT RECEIVABLES IMPAIRMENT	(289,173)	(254,222)
<b>TOTAL</b>	<b>935,407</b>	<b>16,459,857</b>

**7. RECORDED AS ACCRUED EXPENSES AND ACCRUED INCOME**

	December 31 <sup>st</sup> 2018	December 31 <sup>st</sup> 2019
<b>Recorded as accrued expenses</b>	<b>285,788</b>	<b>355,245</b>

<b>Linked receivables, out of which:</b>	<b>28,363,262</b>	<b>33,879,133</b>
Interest	20,947,006	30,511,893
Penalties	7,416,256	3,367,240
<b>Specific adjustments for impairment</b>	<b>(23,519,781)</b>	<b>(28,490,862)</b>
<b>Accrued revenue</b>	<b>4,843,481</b>	<b>5,388,271</b>
<b>TOTAL</b>	<b>5,129,269</b>	<b>5,743,516</b>

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**EASY ASSET MANAGEMENT IFN S.A.**  
**OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS**  
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**8. LOANS RECEIVED FROM THE PARENT COMPANY**

	<b>December 31<sup>st</sup> 2018</b>	<b>December 31<sup>st</sup> 2019</b>
<b>Loans received from the parent company</b>	-	-
<b>Interest</b>	-	-
<b>Total</b>	-	-

**9. OTHER CLAIMS ON CLIENTS**

	<b>December 31<sup>st</sup> 2018</b>	<b>December 31<sup>st</sup> 2019</b>

Other receivables	678,823	752,093
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**10. OTHER RECEIVABLE**

	<b>December 31<sup>st</sup> 2018</b>	<b>December 31<sup>st</sup> 2019</b>
Salaries owed to Staff	1,713,068	1,836,285
Social Security	1,235,357	1,194,892
Payroll tax	164,916	184,134
VAT	23,412	45,194
Tax on profit	3,122,223	590,589
Various creditors	1,511,503	2,344,495
Other loans	14,621,816	24,703,274
<b>TOTAL</b>	<b>22,392,295</b>	<b>30,898,863</b>

**11. DEFERRED INCOME AND ACCRUED CHARGES**

	<b>December 31<sup>st</sup> 2018</b>	<b>December 31<sup>st</sup> 2019</b>
LOAN INTEREST	875,044	4,190,292
Leasing operations receivables	1,956,131	1,530,953
PAYMENT EXPENSES	147,079	168,770
<b>TOTAL</b>	<b>2,978,254</b>	<b>5,890,015</b>

**12. STATUS OF THE RECEIVABLES AND DEBTS**

a) Receivables	December 31 <sup>st</sup> 2019		Liquidity deadline	
	<1 year		1 year - 5 years	Over 5 years
Claims on clients (Note 4 and Note 7)	134,380,722		259,447-	-
Value adjustments related to receivables on clients (Note 4 and Note 7)	(70,473,159)		-	-
Net receivables on clients	63,907,563		259,447	-
Other receivables (Note 6)	16,459,859		-	-
Advance expenses (Note 5)	355,245		-	-
<b>Total</b>	<b>80,722,667</b>		<b>259,447</b>	
<b>b) Debts</b>	<b>December 31<sup>st</sup></b>		<b>Maturity date</b>	
	<b>2018</b>		<b>1 year - 5 years</b>	
	<b>&lt; 1 year</b>		<b>Over 5 years</b>	
Loans and interest from the parent company	0		0	-
Other claims on clients	752,093		0	-
Other debts	30,898,863		0	-
Leasing operation debts	425,879		1,105,074	-
Other provisions	2,088,190			
Other debts	4,359,062			



<b>Total</b>	<b>38,524,087</b>	<b>1,105,074</b>	-
<b>13. Paid-up capital</b>			
	<b>December 31<sup>st</sup> 2018</b>		<b>December 31<sup>st</sup> 2019</b>
Capital	10,167,084		13,721,683
<b>14. Distribution of profit</b>	<b>December 31<sup>st</sup> 2018</b>		<b>December 31<sup>st</sup> 2019</b>
Gross profit/ (loss) achieved	17,210,166		16,627,024
Net profit/ (of which distributed for)	12,175,199		10,686,599
Legal reserve	838,614		791,763
Net profit/ (loss) after legal reserve distribution	11,336,585		9,894,836
<b>15. INTEREST RECEIVABLE AND SIMILAR INCOME</b>			
	<b>December 31<sup>st</sup> 2018</b>		<b>December 31<sup>st</sup> 2019</b>
Income from interest	75,793,879		118,188,020
Penalties	6,227,589		7,223,348
Income from file examination fees	1,611,877		2,323,588
<b>Total</b>	<b>83,633,345</b>		<b>127,734,956</b>

**EASY ASSET MANAGEMENT IFN S.A.**  
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Interest receivable and similar income consist of interests rates on credit, as well as other similar income: penalties and income from file examination fees.

**16. COMMISSION EXPENSES**

	<b>2018</b>	<b>2019</b>
Bank commissions	(139,099)	(89,821)
Leasing assessment commissions	(12,237)	(1,791)
<b>Total</b>	<b>(151,336)</b>	<b>(91,612)</b>

**17. RESULTING FROM FINANCIAL OPERATIONS**

	<b>2018</b>	<b>2019</b>
Net loss from financial operations	(68,310)	(384,741)

**18. OTHER OPERATING EXPENSES**

	2018	2019
Incomes from other activities	1,027	48,390
Incomes from assignments	8,208,287	9,123,977
Income from damages	2,893	8,461
Incomes from awarding-damages credit agreements	22,412,958	140,129
Other operating expenses	70,309	5,057
<b>Total</b>	<b>30,695,473</b>	<b>9,326,014</b>

**19. INFORMATION ABOUT EMPLOYEES, AND THE MEMBERS OF THE ADMINISTRATIVE, MANAGING AND SUPERVISORY BODIES**

	2018	2019
<b>a) Allowances for members of the administrative, managing and supervisory bodies</b>		
Total salary expenses, of which:	(33,496,555)	(36,300,860)
Administrators	-	-
Social security costs, of which:	(2,120,534)	(1,864,392)
Administrators	-	-
Contributions to pensions, of which:	(10,679)	(1,035)
Administrators	-	-
<b>b) Advances and credits granted to members of the administrative, managing and supervisory bodies</b>		
No loans were given to the directors or administrators and there are no future obligations regarding the guarantees assumed by the		

Company on their behalf		
<b>c) Employees</b>	<b>2018</b>	<b>2019</b>
The average number of employees during the year was as follows:	620	611

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**EASY ASSET MANAGEMENT IFN S.A.**  
**OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS**  
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**20. ALTE CHELTUIELI ADMINISTRATIVE**

	<b>2018</b>	<b>2019</b>
Expenditure on inventory objects	(170,394)	(204,952)
Expenditure on consumables	(2,050,997)	(2,090,517)
Maintenance of utilities	(779,627)	(874,925)
Postal and telecommunication expenses	(1,606,448)	(1,759,254)
Intermediation service costs	-	-
Travel expenses	(559,280)	(528,645)

Protocols, Advertising and Marketing expenses (i)	(3,343,614)	(4,453,489)
Other services performed by third parties	(6,432,932)	(10,067,744)
<b>Total</b>	<b>(14,943,292)</b>	<b>(19,979,526)</b>

#### 21. OTHER OPERATING EXPENSES

	2018	2019
Other fees and taxes	(33,187)	(53,536)
Rents - expenses	(3,871,765)	(4,289,910)
Accessories and penalties	(87,173)	(319,542)
Interests on loans	(1,252,447)	(3,276,335)
Sponsorships	(69,633)	(350,197)
Other miscellaneous operating expenses	-	(20,201)
<b>Total</b>	<b>32,204,738</b>	<b>46,405,198</b>

#### 22. ADJUSTMENTS CORRESPONDING TO THE VALUE OF RECEIVABLES AND PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS

	2018	2019
Provisions expenses for principal	(20,776,781)	(29,840,635)
Provisions expenses for penalties	(4,176,265)	(4,484,538)
Provisions expenses for interests	(10,621,622)	(19,031,103)
Provisions expenses for commissions	(303,063)	(611,073)
Provisions expenses for the guarantor clause	(4,445,774)	376,560

Provisions expenses for the closed credits	(289,173)	-
Provisions expenses for non-performed leaves	(377,321)	(254,114)
Other provisions expenses - disputes	(293,267)	-
Other loyalty provisions expenses	-	-
Credit loss expenses	-	-
<b>Total</b>	<b>(41,283,265)</b>	<b>(53,844,903)</b>

**23. RESUMPTIONS FROM ADJUSTMENTS CORRESPONDING TO THE VALUE OF RECEIVABLES AND PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS**

	2018	2019
Income from the resumption of provisions for assignments	26,797,852	38,019,545
Income from adjustments other provisions	67,200	371,690
<b>Total</b>	<b>26,865,052</b>	<b>38,391,236</b>

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
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**24. RECONCILIATION OF THE ACCOUNTING RESULT OF THE EXERCISE WITH THE FISCAL RESULT**

	2018	2019
Accounting profit / loss	16,371,552	15,835,261
Tax on profit	5,034,967	5,940,425

**Reconciliation of the accounting result with the fiscal result**

<b>TOTAL INCOMES, of which:</b>	175,587,450
Total taxable incomes	175,210,703
Total non-taxable incomes	376,747

<b>TOTAL EXPENSES, of which:</b>	(165,692,614)
Non-deductible expenses	(30,590,058)
Reported fiscal loss	-
Legal reserve to be set up	(791,763)
Profit tax rate	16%
Profit tax 16%	(6,290,622)
Sponsorship within the legal limit	(350,197)
Final profit tax	(5,940,425)

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FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019

**25. TRANSACTIONS WITH AFFILIATED PARTIES / RELATED PARTIES**

On December 31<sup>st</sup> 2019, the transactions with parties found in special relationships are as follows:

PRINCIPAL	CURENCY	BALANCE 01.01.2019		FINANCINGS		REIMBURSEMENTS		BALANCE 31.12.2019	
		CURENCY	CV/RON	FOREIGN CURENCY	RON	FOREIGN CURENCY	RON	FOREIGN CURENCY	RON
EASY ASSET MANAGEMENT JSC	EURO	-	-	1,700,000	8,124,810	-	-	1,700,000	8,124,810
MANAGEMENT FINANCIAL GROUP JSC	EURO	-	-	1,200,000	5,735,160	-	-	1,200,000	5,735,160
AXI FINANCE IFN SA	EURO	-	-	200,000	955,860	200,000	955,860	-	-

PRINCIPAL	CURENCY	BALANCE 01.01.2019		FINANCINGS		REIMBURSEMENTS		BALANCE 31.12.2019	
		CURENCY	CV/RON	FOREIGN CURENCY	RON			CURENCY	CV/RON
EASY ASSET MANAGEMENT JSC	EURO	-	-	85,512	408,689	-	-	85,512	408,689
MANAGEMENT	EURO	-	-			-			



FINANCIAL GROUP JSC				30,378	145,186		-	30,378	145,186
AXI FINANCE IFN SA	EURO	-	-	4,537	21,684	4,537	21,684	-	-

#### **Easy Asset Management JSC**

The transactions were performed based on a framework loan agreement between the companies that are part of the same group, Easy Asset Management IFN SA and Easy Asset Management JSC.

During 2019, the company granted Easy Asset Management JSC a loan in value of 1.700.000 euro, for which, until 31.12.2019, interests in total value of 85,512 euro (12% per year) were calculated and registered.

#### **MANAGEMENT FINANCIAL GROUP JSC**

The transactions were performed under a framework loan agreement between companies that are part of the same group, Easy Asset Management IFN SA and Management Financial Group JSC.

During 2019, the company granted Management Financial Group JSC a loan of 1,200,000 euros, for which, until 31.12.2019, interest was calculated and recorded in the total amount of 30,378 euros (12% per year).

#### **AXI FINANCE IFN SA**

The transactions were performed under a framework loan agreement between companies that are part of the same group, Easy Asset Management IFN SA and Axi Finance IFN SA.

During 2019, the company granted Axi Finance IFN SA a loan of 200,000 euros, for which, until 31.12.2019, interest was calculated and recorded in the total amount of 4.537 euros (12% per year).  
 Also during 2019, the value of the loan was collected, as well as the related interests, in a total amount of 204,537 euro, so that on 31.12.2019, the debt was collected in full.

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**EASY ASSET MANAGEMENT IFN S.A.**  
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**FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

CLAIMS - PRINCIPAL	CURRENCY	BALANCE 01.01.2019		FINANCING		REIMBURSEMENTS		BALANCE 31.12.2019	
		CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON

<b>IUVO CREDIT OU</b>	EUR	3,023,175	14,448,662	2,740,822	13,099,211	727,582	3,477,334	5,036,415	24,070,540
<b>IUVO CREDIT OU</b>	RON	522,028	522,028	110,705	110,705	-	-	632,733	632,733

OWED INTEREST	CURRENCY	BALANCE 01.01.2019		LOAN INTEREST		INTEREST REIMBURSEMENTS		BALANCE 31.12.2019	
		CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON
<b>IUVO CREDIT OU</b>	EUR	175,594	839,215	672,833	3,215,673	-	-	848,427	4,054,888
<b>IUVO CREDIT OU</b>	RON	56,093	56,093	79,311	79,311	-	-	135,403	135,403

#### **IUVO CREDIT OU**

The transactions were performed under a framework loan agreement between companies that are part of the same group, Iuvo Credit OU and Easy Asset Management IFN SA.

During 2019, loans were collected in a total amount of 2,621,539 euros and 85,018 RON, and the accrued interest amounts in the amount of 545,190 euros and 64,565 RON.

On 31.12.2019, the company registers debts to IUVO credit OU in the total amount of 6,365,498 euro (principal and interest) and 727,703 RON (principal and interest).

SUPPLIERS	CURRENCY	BALANCE 01.01.2019		FINANCING		REIMBURSEMENTS		BALANCE 31.12.2019	
		CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON	CURRENCY	CV / RON
<b>IUVO GROUP OU</b>	EUR	6,850	32,737	114,271	546,133	110,756	529,338	10,364	49,532

**IUVO GROUP OU**

The transactions were performed under a services agreement concluded between Iuvo Group OU and Easy Asset Management IFN SA. The balance of the amount due to Iuvo Group OU and Easy Asset Management IFN SA, representing unpaid invoices, was at the end of 2018 in the amount of 6,850 euro.

During 2019, the invoices received from Iuvo Group OU were registered representing services provided in a total value of 114,271 euros.

Also during 2019, invoices amounting to 110,756 euro were paid to Iuvo Group OU, so that on 31.12.2019, the amount due is amounting to 10,364 euro.

## 26. THE RISK MANAGEMENT

On 31.12.2019 were registered the following credit risk provisions:

### a) Credit risk

Classification category		Gross exposures from:		Specific credit risk provisions for:		Weight on gross exposures	Weight on provisions
		Principal	Interest	Principal	Interest		
Standard	Under 15 days	42,076,820	1,917,632	419,726	57,155	32.68%	0%
Under observation	16-30 dys	8,394,523	1,143,094	1,461,727	351,257	7.08%	0.68%
Substandard	31-60 days	7,318,295	1,756,656	2,722,200	979,299	6.74%	2.57%
Ambiguous	61-90 days	5,444,400	1,958,599	37,378,645	27,103,151	5.50%	5.25%
Loss	Over 90 days/ In litigation	37,526,998	27,103,151	419,726	57,155	48.00%	91.50%
<b>Total</b>		<b>100,761,036</b>	<b>33,879,132</b>	<b>41,982,298</b>	<b>28,490,862</b>	<b>100%</b>	<b>100%</b>

### b) Currency risk

ASSETS	RON	EURO	USD	others	Total
Cash	549,264	-	-	-	549,264
Claims on credit institutions	3,765,763	22,892	-	-	3,788,655
Claims on clients	-	-	-	-	58,778,740
Other assets	-	14,065,811	-	-	16,459,857
Property	2,593,406	-	-	-	2,593,406
Expenditures recorded in advance and employee income	5,743,516	-	-	-	5,743,516
<b>Total RON</b>	<b>70,058,972</b>	<b>14,088,703</b>	-	-	<b>87,913,438</b>
<b>Total (in%)</b>	<b>79.69%</b>	<b>16.03%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100%</b>

DEBTS	Ron	EURO	USD	Other	Total
Debts owed to IUVO Credit	632,733	24,070,540	-	-	24,703,273
Other debts	6,962,673	1,530,953	4,261	-	8,497,887
Revenues registered in advance and contracted debts	135,403	3,956,980	-	-	4,092,383
Debts - clients	752,093	-	-	-	752,093
<b>Total RON</b>	<b>8,482,902</b>	<b>29,558,473</b>	<b>4,261</b>	-	<b>38,045,636</b>
<b>Total (in %)</b>	<b>22.30%</b>	<b>77.69%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>100%</b>

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**c) Liquidity risk**

The Company's policy on liquidity consists in keeping several resources liquid enough in order to honor their obligations and to comply with the NBR regulations.

Item -31.12.2019			Until	3-12 months	1-5 years	Over	No maturity	Total
			3 months			5 years		
Balance Sheet Code		Assets						
10		Cash	549,264	-	-	-	-	549,264

30	Receivables on credit institution	3,788,655	-	-	-	-	3,788,655
40	Claims on clients (net)	8,489,589	45,957,046	4,332,105	-	-	58,778,740
70	Shares	-	-	-	-	-	-
90	Intangible assets	-	-	129,642	-	-	129,642
100	Tangible assets	-	-	2,463,764	-	-	2,463,764
120	Other assets	1,732,357	553,875	14,173,625	-	-	16,459,857
130	Expenses registered in advance and contracted incomes	5,743,516	-	-	-	-	5,743,516
<b>Total assets</b>		<b>46,024,209</b>	<b>2,511,922</b>	<b>17,026,479</b>	-	-	<b>87,913,438</b>
<b>Debts</b>							
310	Debts - clients	752,093	-	-	-	-	752,093
330	Other debts	2,773,436	28,125,428	-	-	-	30,898,864
340	Revenues registered in advance and contracted debts	5,890,015	-	-	-	-	5,890,015
350	Provisions	-	-	-	-	-	-



360	Subordinated debts	-	-	-	-	-	-
<b>Total debts</b>		<b>22,919,157</b>	<b>14,621,815</b>				<b>37,540,972</b>

The Company is exposed to the effect of fluctuations related to the level of the main market interests at the financial position and treasury flows. The interest rate may increase as a result of such changes but can also be reduced and may result in losses in the event of unforeseen changes. The Company's management periodically monitors exposure to interest rate changes and periodically updates the interest rate level.

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
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**d) Market risk**

Romania's economy is still developing and there is a considerable degree of uncertainty about the possible direction of Internal Economic Policies. However, the management of the Company is trying to predict the changes that will take place in Romania and what effect it could have on the financial situation, the results of the transactions. The Company's cash flows are carefully managed monthly and globally within one year.

In 2020, in the context of the emergency situation created by the Covid-19 pandemic, the company has managed the company's cash flow as well as possible, wishing to bring back, in a few months, the sales and collections in normal operating parameters.

The company's policies and objectives regarding risk management are:

- maintaining a low risk of debt collection, in line with the internal procedures adopted to achieve this objective; reviewing these procedures
- ensuring a balance between the debt recovery period and the payout period.

## **26 CONTINGENCIES**

### **a) Taxation**

The Romanian tax system has undergone several changes in recent years and is in a phase of adaptation to the case law of the European Union. As a result, there are still different interpretations of tax legislation. In certain situations, tax authorities may treat differently certain aspects, by calculating additional taxes and interest and late payment penalties. In Romania, the fiscal exercise remains open for fiscal verification for 5 years. The Company's management believes that the tax liabilities included in these financial statements are appropriate.

### **b) Financial crisis**

The current global liquidity crisis, which began in mid-2007, has resulted, among other things, in a low level of financial funding and, occasionally, higher rates of interbank lending and a very high stock market volatility. Also, the volatility of the leu exchange rate of the main currencies used in international exchanges was very high. At present, the full impact of the current financial crisis is still impossible to forestall and prevent altogether.

The management cannot reliably estimate the effects on the Company's financial position of a potential decrease in the liquidity of the financial markets, an increase in the volatility of the national currency exchange rate and the continuation of the recession. The management considers that it has taken all the necessary measures to ensure the continuity of the Company in the current conditions.

**Impact on liquidity:**

The volume of financings in the economy has been significantly reduced in recent years. This does not affect the ability of the Company to obtain new loans and / or refinance existing loans on terms and conditions similar to previous grants because all the Company's financing is from the Group.

**Actions in court**

The Company is the subject of actions in court resulting from the normal course of business. The management of the company believes that these court actions will not have a significant adverse effect on the economic results and the financial position of the Company.

#### **Actions in court**

The Company is the subject of actions in court resulting from the normal course of business. The management of the company believes that these court actions will not have a significant adverse effect on the economic results and the financial position of the Company.

#### **27 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

The rapid spread of the Covid-19 virus and its social and economic impact in Romania and globally can generate assumptions and estimates that require reanalysis that can lead to significant adjustments in the amount of assets and liabilities in the next financial year. In particular, the management expects that the assumptions and estimates used in determining the size and maturity of future cash flows from assets with credit risk characteristics to be affected. At this stage, the management cannot estimate the impact with certainty, as events evolve on a daily basis.

The long-term impact can also affect the volume of products traded, cash flows and profitability. However, at the date of these financial statements, the Company continues to apply the business continuity principle as a basis for preparing the financial statements.

#### **28 CONTINUITY OF ACTIVITY**

Easy Asset Management IFN S.A. operates based on the principle of business continuity, which assumes that the Company will continue its business in the foreseeable future. To assess the applicability of this presumption, the management analyzes forecasts of future cash

inflows. Based on these analyzes, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of continuity of activity in the preparation of the financial statements is justified.

**ADMINISTRATOR**

Name and surname Alben Mitarev

Signature

/t.n. Illegible Signature/

**DRAFTED BY**

Name and surname Arsene Cristina

Position Financial Director

Signature

/t.n. Illegible Signature/

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

Equity item	No ta	Balance at January 1st	Growths		Decreases		Balance at December 31st
			Total, of which	Via transfer	Total, of which	Via transfer	
0	1	2	3	4	5	6	7

Subscribed capital	10,167,084	3,554,600	-	-	-	13,721,684
Capital premiums						
Legal reserves	1,211,248	791,763				2,003,011
Reported results	-	-	-	-	-	-
Non-distributed profit	12,958,538	10,497,971	-			23,456,509
Uncovered loss	-	-	-	-	-	-
Creditor balance	-	-	-	-	-	-
Financial exercise result	-	-	-	-	-	-
Creditor balance	11,336,585	9,894,836		11,336,585,296		9,894,836
Profit distribution	-	-	-	-	-	-
Creditor balance	(838,614)	(791,763)		(838,614)		(791,763)
Total	34,834,841	23,947,407		10,497,971		48,284,277

ADMINISTRATOR,

DRAFTED BY

Name and surname Alben Mitarev  
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Name and Surname Arsene Cristina  
Position Financial Director  
Signature

/ t.n. Illegible Signature/

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**EASY ASSET MANAGEMENT IFN S.A.**  
**OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

Indicator name	Position Code	Note	Financial exercise	
			previous	closed
Treasury flows from operating activities				
+ cash receipts from interest and commissions	01		0	0
- cash payments representing interest and commissions	02		(136,833)	(86,245)
+ cash receipts from amortized debt recoveries	03			
- cash payments to employees and suppliers of goods and services	04		(54,051,493)	(62,462,841)
+/- Other revenues / expenses paid in cash from operating activities	05		8,603,880	8,661,833
Cash flows from operating activities, except changes in assets and liabilities of operating activities and income taxes (row 01 to 05)	06		(45,584,446)	(53,887,253)
Increases / decreases in assets related to operating activities				
+ /- Increases / decreases in securities that do not have the character of financial assets	07			
+ /- Increases / decreases in claims related to credit institutions	08			
+ /- Increases / decreases in claims on clients	09		48,222,635	59,430,165
+ /- Increases / decreases of other assets related to the operating activities	10			
+ /- Increases / decreases of liabilities related to the				



operating activity				
+ /- Increases / decreases of debts on credit institutions	11			
+ /- Increases / decreases of debts on clients	12			
+ /- Increases / decreases of other liabilities related to operating activities	13			
Treasury flows from operating activities, except the paid corporation tax (row 06 to 13)	14		2,638,189	5,542,912
- cash payments representing profit tax	15		(2,138,327)	(8,498,625)
Treasury flows from operating activities (row 14 + row 15)	16		499,862	(2,955,713)
Treasury flows from investment activities				
- cash payments for the acquisition of subsidiaries or other subunits	17			
+ cash receipts from selling subsidiaries or other subunits	18			
- cash payments for the acquisition of titles that have the character of financial assets	19			
+ cash receipts from selling titles that have the character of financial assets	20			
+ cash receipts representing received interest	21			
+ cash receipts representing received dividends	22			
- cash payments for the purchase of land and fixed assets, intangible assets and other long-term assets	23		(390,734)	(170,908)
+ cash receipts for the selling of land and fixed assets, intangible assets and other long-term assets	24			

- other payments in cash related to the investment activities	25			
- other cash receipts from investment activities	26			
- Flows in treasury from investment activities (row. 17 to 26)			(390,734)	(170,908)

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**EASY ASSET MANAGEMENT IFN S.A.  
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>st</sup> 2019**

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Indicator name	Position Code	Note	Financial exercise	
			previous	closed
<b>Treasury flows from financing activities</b>				
+ cash receipts from debts constituted by subordinated securities and debts	28			
- cash payments related to debts constituted by subordinated securities and debts	29			
+ cash receipts from the issue of shares or parts	30			
- cash payments for the purchase of own shares or parts	31			
+ cash receipts from the selling of own shares or parts	32			
- cash payments representing dividends	33			
- other cash payments related to financing activities	34		(18,416,531)	(13,750,000)

+ other cash receipts from financing activities	35		24,665,239	13,174,015
<b>Treasury flows from financing activities (row 28 to 35)</b>	36		<b>6,248,708</b>	<b>(575,985)</b>
+/- The result of change in the exchange rate on cash	37			
<b>Treasury flows - total (row 16 +row 27 + row 36 + row 37)</b>	38		<b>6,357,836</b>	<b>(3,702,606)</b>
<b>Cash at the beginning of the period</b>	39		<b>1,682,690</b>	<b>8,040,526</b>
<b>Cash at the end of the period (row 38 + row 39)</b>	40		<b>8,040,526</b>	<b>4,337,920</b>

ADMINISTRATOR,

Name and surname Alben Mitarev  
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Name and Surname Arsene Cristina  
Position Financial Director  
Signature

/ t.n. Illegible Signature/