

EASY ASSET MANAGEMENT IFN S.A
ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2018

EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

REPORTING ENTITY

SC EASY ASSET MANAGEMENT IFN SA
Tax Identification Code 28042464
J40/1680/2011
BUCHAREST, 2nd District
67 Logofăt Tautu Street

EASY ASSET MANAGEMENT IFN S.A
ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
ENDED IN DECEMBER 31, 2018

Prepared in accordance with the NBR Order no. 6/2015 for the approval of the Accounting Regulations in accordance with the European directives, applicable to credit institutions, non-banking financial institutions and the banking system Deposit Guarantee Fund with the subsequent modifications

ASSET	Position Code	Obs.	Financial year	
			2017	2018
A	B	C	1	2
Cash and other assets	010	2	569,061	444,716
Receivables on credit institutions	030	3	1,113,610	7,595,811
- on sight	033		1,113,610	7,595,811
- Other receivables	036			
Receivables on clients	040	4	31,021,853	46,069,663
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	74,530	185,446
- set up expenses	093			
- comercial grounds, to the extent that it was	096			

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purchased for free				
Tangible assets, of which:	100	5	454,750	2,694,715
- lands and constructions used for the purpose of carrying out own activities	105			
Non-paid subscribed capital	110			
Other assets	120	6	854,288	935,407
Pre-recorded expenses and incomes incurred	130	7	3,232,187	5,129,270
Total assets	140		37,320,279	63,055,028

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OBLIGATIONS AND OWNERSHIP	Position Code	Obs.	Financial year	
			2017	Code
A	B	C	1	2
Debt on credit institutions	300			
- in sight	303			
- on term	306			
Debt on the clients	310	9	370,347	678,824
- in sight	317		370,347	678,824
- on term	318			
Debts evidenced by securities	320			
- bonds	323			
- other titles	326			
Other debts	330	10	13,642,438	22,392,294
Pre-recorded income and debt incurred	340	11	6,445,548	2,978,254
Provisions:	350		1,567,427	2,170,815
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356		1,567,427	2,170,815
Subordinated debt	360			
Subscribed share capital	370	13	1,963,346	10,167,084
Capital premium	380			
Reserves	390		372,634	1,211,248
- legal reserves	392		372,634	1,211,248
- statutory or contractual reserves	394			
- other reserves	399			
Revaluation reserves	400			
Own shares (-)	410			
Reported result				
- Profit	423		7,060,043	12,958,538
- Loss	426			
The result of the financial year				
- Profit	433		6,015,296	11,336,585
- Loss	436			
Distribution of profit	440	14	116,800	838,614
Total debt and own capital	450		37,320,279	63,055,028

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GENERAL MANAGER,
Surname and Name Dimana Vlaeva
Signature

MADE BY
Surname and Name Arsene Cristina
Position Financial Manager
Signature

Indicator's name	Position Code	Obs.	Financial year	
			2017	2018
A	B	C	1	2
Interest to receive and similar income, of which:	010	15	77,561,655	83,633,345
- related to bonds and other fixed income securities	015			
Interest to pay and similar expenses	020			32,406
Income on securities	030			
- Income from shares and other variable income securities	033			
- Income from investments	035			
- Income from shares in related companies	037			
Revenue from commissions	040		1,200	0

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Expenses on commissions	050	16	96,108	151,336
Net profit or loss on financial operations	060	17	(485,078)	(68,310)
Other operating revenues	070	18	7,103,707	30,695,473
General administrative expenses	080		40,280,406	50,560,380
Corrections on the value of intangible and tangible fixed assets	090		134,867	521,882
Other operating expenses	100	21	27,439,158	32,204,738
Corrections on the value of receivables	110	22	54,140,967	68,148,318
Corrections on the value of transferable securities that have the character of financial assets, investments and shares in related companies	130			
Resumes from corrections on the value of transferable securities that have the character of financial assets, investments and shares in related companies	140			
The result of the current activity				
- Profit	153		7,452,674	16,371,552
- Loss	156			
Extraordinary income	160			
Extraordinary expenses	170			
The result of the extraordinary activity				
- Profit	183			
- Loss	186			

Indicator's name	Position Code	Obs.	Financial year	
			former	ended
A	B	C	1	2
Total income	190		107,662,746	141,493,913
Total expenses	200		100,210,072	125,122,361
The gross result				

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- Profit	213		7,452,674	16,371,552
- Loss	216			
Tax income	220		1,437,378	5,034,967
Other taxes that do not appear in the above items	230			
The net result of the financial year				
- Profit	243		6,015,296	11,336,585
- Loss	246			

GENERAL MANAGER,
Surname and Name Dimana Vlaeva
Signature

MADE BY
Surname and Name Arsene Cristina
Position Financial Manager
Signature

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Equity statement

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		1,963,346	8,203,738				10,167,084
Capital premmiums							
Legal reserves		372,634	838,614				1,211,248
Reported results		-	-	-	-	-	-
Non-distributed profit		7,060,043	5,898,496	-			12,958,539
Uncovered loss		-	-	-	-	-	-
Creditor balance		-	-	-	-	-	-
Financial exercise result		-	-	-	-	-	-
Creditor balance		6,015,296	11,336,585		6,015,296		11,336,585
Profit distribution		-	-	-	-	-	-
Creditor balance		(116,800)	(838,614)		(116,800)		(838,614)

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Total		15,294,519	25,438,819		5,898,496		34,834,842
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ADMINISTRATOR,
Name and surname Dimana Vlaeva
Signature

DRAFTED BY
Name and Surname Arsene Cristina
Capacity Financial Director
Signature

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) Geşneral 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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OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
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1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continuation)

B Conversion of transactions in foreign currency

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:

Foreign currency		Exchange rate
		(lei for 1 unit of foreign currency)
		December 31st 2018
Euro	EURO	4,6639
	USD	4,0736

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 2018 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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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:

<u>Asset</u>	<u>Years</u>
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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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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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:

Debt servicing	Judicial proceedings	No judicial proceedings	Debt recovery proceedings
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

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Loss		1,00
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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 2018, 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.

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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

10,167,084 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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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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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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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 st 2017	December 31 st 2018
Cash	lei	569.061	444.716

3. CLAIMS ON CREDIT INSTITUTIONS

		December 31 st 2017	December 31 st 2018
Current bank accounts in foreign currency		20.021	638.616
Current bank accounts in lei		1.093.589	6.957.194
TOTAL		1.113.610	7.595.810

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4. CLAIMS ON CLIENTS

	December 31 st 2017	December 31 st 2018
a) personal consumer loans		
Total	31.021.853	46.069.662
b) Attached interest receivables and penalties		
Total	3.166.881	4.843.481
c) Other provisions		
	2017	2018
Balance at the beginning of the period	(1,052,207)	(1,567,427)
Expenditure with adjustments for the impairment of receivables	(515,220)	(670,588)
Income from resuming adjustments for the impairment of receivables		67,200

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EASY ASSET MANAGEMENT IFN S.A
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5. TANGIBLE/INTANGIBLE ASSETS

At December 31st, 2018, the net book value was as follows:

				Discounts		Final balance
Gross value of asset items	Position code	Initial balance	Increases	Total	Out of which: dismantling And cassation	(col.5=1+2-3)
A	B	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
INTANGIBLE ASSETS						
Goodwill	101	-	-	-	-	-
Incorporation expenses	102	345		-	-	345
Other intangible assets	103	282,044	223,851		-	505,895
Ongoing advances and intangible assets	104				-	
TOTAL (pos. 101 to 104)	105	282,389	223,851	-	-	506,240
TANGIBLE ASSETS						
Lands	106	-	-	-	--	-

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

Landscaping	107	-	-	-	-	-
Buildings	108	-	--	-	-	-
Technological equipment (machines, machinery, and equipment)	109	-	--	-	-	-
Measuring, control and regulating apparatus and instruments	110	607,288	206,161	-	-	813,449
Means of transport	111	0	2,442,750	-	-	2,442,750
Furniture, office equipment, protective equipment for human and material assets and other tangible assets	113	36,712	0	-	-	36,712
Ongoing advances and tangible assets	114	-	-	-	-	-
TOTAL (pos. 106 to 114)	115	644,000	2,648,911	-	-	3,292,911
FINANCIAL						

EASY ASSET MANAGEMENT IFN S.A
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ASSETS						
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	-	-	-	-	-
NON-CURRENT ASSETS - TOTAL						
(row 105+115+120)	121	926,389	2,878,762	-	-	3,799,151

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EASY ASSET MANAGEMENT IFN S.A.
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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)
INTANGIBLE ASSETS					
Goodwill	131				
Incorporation expenses	132	345	0	-	345
Other intangible assets	133	207,513	112,936	-	320,449
TOTAL (pos. 131 to 133)	134	207,858	112,936	-	320,794
TANGIBLE ASSETS					
Lands	135	-	-	-	-
Buildings	136	-	-	-	-
Technological equipment (machines, machinery, and	137	189,250	83,246	-	272,496

EASY ASSET MANAGEMENT IFN S.A
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equipment					
Measuring, control and regulating apparatus and instruments	138	-	-	-	-
Means of transport	139	0	325,700	-	325,700
Furniture, office equipment, protective equipment for human and material assets and other tangible assets	141	0	0		0
TOTAL (pos. 135 to 141)	142	189,250	408,946	-	598,196
AMORTISATION - TOTAL (pos. 134+142)	143	397,108	521,882	-	918,990

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

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BILANT
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	December 31 st 2017	December 31 st 2018
MEDICAL LEAVES CONTRIB 0.75%	192,146	535,198
TAXABLE NON-RESIDENTS	6,786	6,786
ADVANCES GRANTED TO STAFF	0	1,656
PAID UP GUARANTEE DEPOSITS	241,293	272,219
OTHER VARIOUS DEBTORS	401,857	117,445
VARIOUS DEBTORS	77	289,174
OTHER STOCKS	0	2,102
ADJUSTMENTS ABOUT RECEIVABLES IMPAIRMENT	0	(289,173)
TOTAL	842,159	935,407

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EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

8. LOANS RECEIVED FROM THE PARENT COMPANY

	December 31 st 2017	December 31 st 2018
	9,851,608	0
Interest	6,327,765	0
Total	16,179,373	0

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

Throughout 2018, EASY ASSET MANAGEMENT IFN SA returned to Easy Asset Management JSC BG the borrowings and related due interest.

9. OTHER CLAIMS ON CLIENTS

	December 31st 2017	December 31st 2018
Other receivables	18,354	678,823

10. OTHER RECEIVABLE

	December 31st 2017	December 31st 2018
TOTAL	13,642,007	22,392,295

11. DEFERRED INCOME AND ACCRUED CHARGES

	December 31st 2017	December 31st 2018
TOTAL	6,445,547	2,978,254

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EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
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12. STATUS OF THE RECEIVABLES AND DEBTS

a) Receivables	December 31st 2018	Liquidity deadline
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	<1 year	1 year - 5 years	Over 5 years
Net receivables on clients	50,913,144	-	-
Other receivables	935,407	-	-
Advance expenses	285,788	-	-
Total	52,134,339	-	-
b) Debts			
	December 31st		
	2018	Maturity date	
	< 1 year	1 year - 5 years	Over 5 years
Loans and interest from the parent company	0	-	-
Other claims on clients	678.823	-	-
Other debts	22.392.295	-	-
Leasing operation debts	442.900	1.513.231	-
Other provisions	2.170.815		
Other debts	1.022.124		
Total	26.706.957	1.513.231	-
13. Paid-up capital			
	December 31 st 2017		December 3
Capital	1,963,346		10,157,084
14. Distribution of profit	December 31 st 2017		December 3
Gross profit/ (loss) achieved	7.569.477		17.210.166
Net profit/ (of which distributed for)	6.132.097		12.175.199
Legal reserve	116.800		838.614

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

Net profit/ (loss) after legal reserve distribution	6.015.297	11.336.585
15. INTEREST RECEIVABLE AND SIMILAR INCOME		
	December 31 st 2017	December 31 st 2018
Total	77,561,655	83,633,345

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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

	2017	2018
Total	96.108	151.336

17. RESULTING FROM FINANCIAL OPERATION

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

	2017	2018
Net loss from financial operations	(485,078)	(68,310)

18. OTHER OPERATING EXPENSES

	2017	2018
Total	7,103,707	30,695,473

19. INFORMATION ABOUT EMPLOYEES

b) Advances and credits granted to members of the administrative, managing and supervisory bodies		
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		
c) Employees		
	2017	2018
The average number of employees during the year was as follows:	551	620

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OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

EASY ASSET MANAGEMENT IFN S.A
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20. ALTE CHELTUIELI ADMINISTRATIVE

	2017	2018
Total	13,558,098	14,943,292

21. OTHER OPERATING EXPENSES

	2017	2018
Total	27,380,965	32,204,738

EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
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FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

CASH FLOW

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		(96,094)	(136,833)
+ cash receipts from amortized debt recoveries	03			
- cash payments to employees and suppliers of goods and services	04		(42,600,051)	(54,051,493)
+/- Other revenues / expenses paid in cash from operating activities	05		2,550,971	8,603,880
Cash flows from operating activities, except changes in assets and liabilities of operating activities and income taxes (row 01 to 05)	06		(40,145,174)	(45,584,446)
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		47,718,863	48,222,645
+ /- Increases / decreases of other assets related to the operating activities	10			

EASY ASSET MANAGEMENT IFN S.A
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+ /- 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		6,908,003	2,638,189
- cash payments representing profit tax	15		0	(2,138,327)
Treasury flows from operating activities (row 14 + row 15)	16		6,908,003	499,862
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		(250,940)	(390,734)
+ 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			
- Flows in treasury from investment activities (row. 17 to 26)			(250,940)	(390,734)

EASY ASSET MANAGEMENT IFN S.A
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EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

Indicator name	Position Code	Note	Financial exercise	
			previous	closed
Treasury flows from financing activities				
+ 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		(6,811,502)	(18,416,531)
+ other cash receipts from financing activities	35		0	24,565,239
Treasury flows from financing activities (row 28 to 35)	36		(6,811,502)	6,248,708
+/- The result of change in the exchange rate on cashi	37			
Treasury flows - total (row 16 +row 27 + row 36 + row 37)	38		(154,439)	6,357,836
Cash at the beginning of the period	39		1,837,129	1,682,690

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

Cash at the end of the period (row 38 + row 39)	40		1,682,690	8,040,526
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ADMINISTRATOR,
Name and surname Dimana Vlaeva
Signature

DRAFTED BY
Name and Surname Arsene Cristina
Capacity Financial Director

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EASY ASSET MANAGEMENT IFN S.A.
OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

26. THE RISK MANAGEMENT

b) Currency risk (presented in thousands of lei)

ASSETS	December 31 st 2018				
	RON	EURO	USD	others	Total
Total RON	62,414,041	638,616	63,055.028
Total (in%)	98.98%	1.01%100%	100%

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

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

DEBTS	Ron	EURO	USD	Other	Total
Total (...'000)	25,850,682	3,217,791	4,074	29,072,547
Total (in %)	88.92%	11.07%	0.01%%	100%

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 -31.12.2018		Until 3 months	3-12 months	1-5 years	Over 5 years	No maturity	Total
Balance Sheet Code	Assets						
10	Cash	444,716					444,716
30	Receivables on credit institution	7,595,811					7,595,811
40	Claims on clients (net)	32,191,224	18,721,917				50,913,141
70	Shares						
90	Intangible assets			185,446			185,446
100	Tangible assets			2,694,715			2,694,715
120	Other assets	663,188		272,219			935,407
130	Expenses registered in advance and contracted incomes	5,129,270					5,129,270
Total assets		46,024,209	18,721,917	3,152,380			67,898,506

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EASY ASSET MANAGEMENT IFN S.A.

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

OBSERVATIONS ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31st 2018

Debts						Total
310	Debts - clients	678,824				678,824
330	Other debts	7,770,478.63	14,621,815			22,392,294
340	Revenues registered in advance and contracted debts	2,978,254				2,978,254
350	Provisions					
360	Subordinated debts					
Total debts		11,427,557	146218815	0		26,049,372

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.

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.

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.

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The management cannot reliably estimate the effects on the financial position of the Company, of a potential decline in the liquidity of financial

markets, an increase in the volatility of the exchange of the national currency and the continuation of the recession. The management believes that it has taken all necessary measures to ensure the continuity of the Company under 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.

ADMINISTRATOR,
Name and surname Dimana Vlaeva
Signature

/t.n. Illegible Signature; Round stamp/

DRAFTED BY
Name and Surname Arsene Cristina
Capacity Financial Director
Signature

/ t.n. Illegible Signature/

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INDEPENDENT AUDITOR'S REPORT

Tot the Shareholders of EASY ASSET MANAGEMENT IFN SA

Opinion

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

I have audited the financial statements attached hereto belonging to EASY ASSET MANAGEMENT IFN SA (hereinafter entitled the "Company") which include the statement of the financial position as of December 31st 2018 and the statement of the global result, the statement of changes in equity and the cash flow statement for the year then ended, notes and disclosures to the financial statements, including a summary of significant accounting policies.

The individual financial statements at December 31st 2018 are identified as follows:

- Total Equity	RON 34,834,842
- The profit of the financial year	RON 11,336,585
- Total assets	RON 63,055,028

In our opinion, the financial statements attached hereto faithfully present, in all material respects, the financial position of EASY ASSET MANAGEMENT IFN SA, on December 31st 2018 and its financial performance and its cash flows for the year then ended, in accordance with the Order of the National Bank of Romania no. 6/2015 for the approval of the Accounting Regulations compliant with the European directives ("OBNR no.6 / 2015").

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation No 537 of the European Parliament and the European Council (hereafter "the Regulation") and Law No 162/2017 (the "Law"). Our responsibilities under these standards are further described in the Auditor's Responsibilities section in an audit of the financial statements in our report. We are independent from the Company, in accordance with the Ethics Code of Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), according to the ethical requirements that are relevant for the audit of the financial statements in Romania, including the Regulations and the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit key issues

Key audit issues are those issues that, based on our professional judgment, have been of the greatest importance for the audit of the current financial statements. These issues have been addressed in the context of the audit of the consolidated financial statements as a whole and in forming our opinion on them and we do not provide a separate opinion on these issues.

Aspects	Solution
<p>Adjustments for impairment of receivables from customers. As of December 31, 2018, the Company recorded gross claims on customers of RON 77,451,797 and an adjustment for related impairment of RON 31.382.135. The basics of the policy for determining the adjustment for impairment of receivables from customers are presented in note 1I) and subsequently in note 4 of the Financial Statements. The principles for calculating the write-down for impairment are set for Regulation 5/2012 of the National Bank of Romania. Due to the significant share of customer receivables, accounting for 73% of the total assets of the Company, we believe this is a key aspect of the audit.</p>	<p>Impairment adjustments are determined by management using a methodology based on customer information and the number of days of delay. We focused on the following professional judgments and estimates that could lead to significant errors that are likely to be interpreted by management:</p> <ul style="list-style-type: none"> - The completeness and timing of the recognition of impairment events based on the number of days of delay and the existence of recovery procedures; - Compliance of the model and calculation with the requirements of Regulation 5/2012 of the National Bank of Romania. <p>In order to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> - We reviewed the depreciation methodology and performed checks to

	<p>validate data integrity to ensure that the parameters taken into account by the Company in the calculation of the impairment adjustment are correct</p> <ul style="list-style-type: none">- We evaluated the estimate of depreciation adjustments and tested the mathematical accuracy of the adjustment calculations;- We evaluated and tested the key assumptions adopted by management.
--	--

Other information - Administrators' report

The administrators are responsible for the submission and submission of other information. That other information includes the Administrator's Report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover these other information and, unless the case explicitly mentions our report, we do not express any assurance of assurance about them.

In relation to the audit of the financial statements for the financial year ended December 31, 2018, it is our responsibility to read other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements or the knowledge we have obtained during the audit, or if they appear to be materially distorted.

Regarding the Report of the Ministers, we read and reported whether it was drafted in all aspects of signification, in accordance with Order 6/2015, points 225-228.

On the sole basis of the activities to be performed during the audit of the financial statements, in our opinion:

a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared are consistent, in all material respects, with the financial statements.

b) The administrators' report was drawn up, in all significant aspects, in accordance with Order no. 612 015.

In addition, based on our knowledge and understanding, we have not identified the information included in the Directors' Report that was materially misstated during the audit of the financial statements for the year ended 31 December 2018 regarding the Company and its environment.

Management Responsibilities and Financial Situation Management Responsible Personnel

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Order no. 6/2015 for the approval of Accounting Regulations compliant with European directives and for internal control that management deems necessary to allow for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue its business, presenting, where appropriate, business continuity issues and using business continuity accounting, unless the management either intends to liquidate the Company or stop operations, or have no realistic alternative outside of them.

Management personnel is responsible for overseeing the financial reporting process of the Company.

Responsible for the auditor in a financial statement audit

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to the issuance of an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with the ISA will always detect significant misstatement if this exists. Denaturals can be caused either by fraud or by mistake and are considered significant if reasonably foreseeable that they are, individually or collectively, will influence the economic decisions of users based on these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism during the audit.
Also:

- We identify and evaluate the risks of material misstatement of financial statements, whether caused by fraud or error, designing and executing audit procedures to respond to those risks and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting significant misstatement caused by fraud is higher than that of undetectable error-induced material misstatement, as fraud may imply secret, false, deliberate omissions, false statements and avoidance of internal control.
- We understand the audit relevant to the audit, in order to produce auditory procedures appropriate to the circumstances, but FARLY to express an opinion on the effectiveness of the internal control of the Company.
- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting and reporting requirements related to management's information.
- We formulate a conclusion as to the suitability of management's use of accounting based on the continuity of activity, and determine, based on the audit evidence obtained, whether there is a significant uncertainty about events or conditions that could generate significant doubts about the ability If we conclude that there is significant uncertainty, we must draw attention in the auditor's report to the accompanying disclosures in the financial statements or, if these presentations are inappropriate, to change our opinion. Our findings are based on audit evidence obtained by the date of the auditor's report. However, events or future conditions may cause the Company not to continue operating on a going concern basis.
- We evaluate the presentation, structure and content of financial statements, including disclosures, and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a true presentation.

We communicate to those responsible for the management, among other things, the planned area and timing of the audit, as well as the main findings of the audit, including any significant internal control deficiencies that we identify during the audit.

Andrei Marius Stan – Bucharest

May 10, 2019

EASY ASSET MANAGEMENT IFN S.A
BILANT
31 DECEMBRIE 2016

Registered to the Chamber of Financial Auditors under number 5145 / 11.07.2016

registered with the Public Audit Authority for Statutory Audit (ASPAAS)
Number FA 19 TEMP 141 / 02.11.2019

on behalf of MOORE STEPHENS KSC ASSURANCE S.R.L. :
Registered with the Chamber of Financial Auditors under number 1266 / 07.09.2015

registered with the Public Audit Authority for Statutory Audit (ASPAAS)
Number FA 19 TEMP 29 / 11.02.2019