

Translation from Romanian

EASY ASSET MANAGEMENT IFN S.A

**ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR
ENDED AS OF DECEMBER 31st, 2020**

Drawn up according to the Order NBR no. 6/2015 for approval of Accounting Regulations compliant with European directives, applicable to the credit institutions, the non-banking financial institutions and the Guarantee Fund of deposits in the banking system, as further amended

EASY ASSET MANAGEMENT IFN S.A
FINANCIAL STATEMENTS
December 31st, 2019

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EASY ASSET MANAGEMENT IFN S.A
BILANTUL CONTABIL
LA December 31st 2020

ASSETS	Position code	Note	Fiscal year	
			2019	2020
A	B	C	1	2
Cash and other values	010	2	549,264	417,192
Receivables on credit institutions	030	3	3,788,655	9,559,219
- at sight	033		3,788,655	9,559,219
- other receivables	036			
Receivables on customers	040	4	58,778,740	44,326,498
Debentures and other fixed-income securities	050			
- issued by public bodies	053			
- issued by other issuers, of which:	056			
- own debentures	058			
Shares and other variable-income securities	060			
Participation interests, of which:	070			
- participation interests in credit institutions	075			
Equity shares in affiliated companies, of which:	080			
- equity shares in credit institutions	085			
Intangible assets, of which:	090	5	129,642	85,597
- establishment expenses	093			
- goodwill, to the extent that it was purchased with onerous title	096			
Tangible assets, of which:	100		2,463,764	1,844,257
- land and constructions used for carrying out own activities	105			
Unpaid subscribed capital	110			
Other assets	120	6	16,459,857	19,216,304
Accrued expenses and committed income	130	7	5,743,516	4,396,037
Total assets	140		87,913,438	79,845,104

DIRECTOR,
Alben Mitarev
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Arsene Cristina
Economic Manager
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EASY ASSET MANAGEMENT IFN S.A
BILANTUL CONTABIL
LA December 31st 2020

LIABILITIES AND SHAREHOLDERS' EQUITY	Position code	Note	Fiscal year	
			2019	2020
A	B	C	1	2
Liabilities regarding credit institutions	300			
- at sight	303			
- on term	306			
Liabilities regarding customers	310	9	752,093	670,350
- at sight	317		752,093	670,350
- on term	318			
Liabilities created by securities	320			
- debentures	323			
- other securities	326			
Other liabilities	330	10	30,898,864	19,956,063
Deferred income and committed liabilities	340	11	5,890,015	8,181,269
Provisions:	350		2,088,190	1,424,952
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356		2,088,190	1,424,952
Subordinated liabilities	360			
Subscribed share capital	370	13	13,721,683	13,721,683
Capital premiums	380			
Reserves	390		2,003,011	2,399,945
- legal reserves	392		2,003,011	2,399,945
- statutory or contractual reserves	394			
- other reserves	399			
Reevaluation reserves	400			
Own shares (-)	410			
Carried-forward result				
- Profit	423		23,456,509	27,221,122
- loss	426			
Result of fiscal year				
- Profit	433		9,894,836	6,666,654
- loss	436			
Allocation of profit	440	14	791,763	396,934
Total liabilities and shareholders' equity	450		87,913,438	79,845,104

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EASY ASSET MANAGEMENT IFN S.A
CONTUL DE PROFIT și LOSS
PENTRU EXERCITIUL FINANCIAR ÎNCHEIAT LA December 31st 2020

Name of indicator	Position Code	Note	Fiscal year	
			2019	2020
A	B	C	1	2
Interests to be received and assimilated income of which:	010	15	127,734,956	113,667,691
- related to debentures and other fixed-income securities	015			
Interests to be paid and assimilated expenses	020		47,643	36,846
Income regarding securities	030			
- income from shares and other securities with variable income	033			
- income from participation interests	035			
- income from equity shares in affiliated companies	037			
Income from commissions	040		0	0
Expenses with commissions	050	16	91,612	120,179
Net profit or loss from financial operations	060	17	(384,741)	(259,660)
Other operating revenues	070	18	9,326,013	169,262
General administrative expenses	080		58,144,778	51,741,655
- Expenses with staff, of which:	083	19	38,165,252	34,620,356
- Salaries	084		36,300,860	33,675,959
- expenses with social security, of which:	085		1,864,392	944,397
- expenses related to pensions	086		(1,035)	774
- other administrative expenses	087	20	19,979,526	17,121,299
Corrections on the value of tangible and intangible assets	090		698,070	740,909
Other operating expenses	100	21	46,405,198	7,595,602
Corrections on the value of receivables and provisions for contingent debts and commitments	110	22	53,844,903	46,287,213
Reversal of corrections on the value of receivables and provisions for contingent debts and commitments	120	23	38,391,236	883,791
Corrections on the value of transferable securities which have the nature of financial assets, participation interests and equity shares in affiliated companies	130			
Reversal of corrections of the value of transferable securities which have the nature of financial assets, participation interests and equity shares in affiliated companies	140			
Result of current activity				
- Profit	153	24	15,835,260	7,938,680
- Loss	156			
Extraordinary income	160			
Extraordinary expenses	170			
Result of extraordinary activity				
- Profit	183			
- Loss	186			

EASY ASSET MANAGEMENT IFN S.A**CONTUL DE PROFIT și LOSS****PENTRU EXERCITIUL FINANCIAR ÎNCHEIAT LA December 31st 2020**

Name of indicator	Position Code	Note	Fiscal year	
			Previous	Ended
A	B	C	1	2
Total revenues	190		175,587,450	114,738,021
Total expenses	200		159,752,189	106,799,341
Gross result				
- Profit	213		15,835,261	7,938,680
- Loss	216			
Profit tax	220		5,940,425	1,272,026
Other taxes which do not appear in the elements above	230			
Net result of fiscal year				
- Profit	243		9,894,836	6,666,654
- Loss	246			

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EASY ASSET MANAGEMENT IFN S.A
SITUAȚIA FLUXURILOR DE NUMERAR
PENTRU EXERCITIUL FINANCIAR ÎNCHEIAT LA December 31st 2020

Name of indicator	Position code	Note	Fiscal year	
			Previous year	Ended
Cash flows from operating activities				
+ receipts of cash from interests and commissions	01		0	0
- payments in cash representing interests and commissions	02		(86,245)	(122,932)
+ receipts in cash from recoveries of depreciated receivables	03			
- payments in cash to employees and suppliers of goods and services	04		(62,462,841)	(57,519,823)
± other received income/paid expenses in cash from operating activity	05		8,661,833	43,357
Cash flows from operating activity, excluding the changes of assets and debts of operating activity and paid profit tax (row 01 to 05)	06		(53,887,253)	(57,599,398)
<i>Increases/decreases of assets related to operating activity</i>				
± increases/decreases of securities which do not have nature of financial assets	07			
± increases/decreases of receivables regarding credit institutions	08			
± increases/decreases of receivables regarding customers	09		59,430,165	80,665,894
± increases/decreases of other assets related to operating activity	10			
<i>Increases/decreases of liabilities related to operating activity</i>				
± increases/decreases of debts regarding credit institutions	11			
± increases/decreases of debts regarding customers	12			
± increases/decreases of other liabilities related to operating activity	13			
Cash flows from operating activity, excluding the paid profit tax (row 06 to 13)	14		5,542,912	23,066,496
- payments in cash representing profit tax	15		(8,498,625)	(1,483,419)
Cash flows from operating activities (Row 14 + row 15)	16		(2,955,713)	21,583,077
Cash flows from investments				
- payments in cash for purchase of subsidiaries or other subunits	17			
+ receipts in cash from sale of subsidiaries or other subunits	18			
- payments in cash for purchase of securities which have nature of financial assets	19			
+ receipts in cash from sale of securities which have nature of financial assets	20			
+ receipts in cash representing interests received	21			
+ receipts in cash representing dividends received	22			
- payments in cash for purchase of land and plant assets, intangible assets and other long-term assets	23		(170,908)	(72,952)
+ receipts in cash from sale of land and plant assets, intangible assets and other long-term assets	24			
- other payments in cash related to investments	25			
- other receipts in cash from investments	26			
- cash flows from investments (row 17 to 26)			(170,908)	(72,952)

- lei -

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SITUAȚIA FLUXURILOR DE NUMERAR
PENTRU EXERCITIUL FINANCIAR ÎNCHEIAT LA December 31st 2020

Name of indicator	Positi on code	Note	Fiscal year	
			previous	ended
Cash flows from financing activities				
+ receipts in cash from debts created by securities and subordinated debts	28			
- payments in cash related to debts created by securities and subordinated debts	29			
+ receipts in cash from issue of shares or equity shares	30			
- payments in cash for purchase of shares or equity shares	31			
+ receipts in cash from sale of shares or equity shares	32			
- payments in cash representing dividends	33		-	(5,338,457)
- other payments in cash related to financing activities	34		(13,750,000)	-
+ other receipts in cash from financing activities	35		13,174,015	(10,533,178)
Cash flows from financing activities (Row 28 to 35)	36		(575,985)	(15,871,635)
± Effect of change of exchange rate on cash	37			
Cash flows – total (Row 16 + row 27 + row 36 + row 37)	38		(3,702,606)	5,638,490
Cash at beginning of fiscal year	39		8,040,526	4,337,920
Cash at end of fiscal year (Row 38 + row 39)	40		4,337,920	9,976,410

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EASY ASSET MANAGEMENT IFN S.A
SITUATIA MODIFICARILOR IN CAPITALURILE PROPRII
PENTRU ANUL INCHEIAT LA December 31st 2020

Element of equity	Note	Balance as of January 1 st	Increases		Write-down		Balance as of December 31 st
			Total, of which	by transfer	Total, of which	By transfer	
	1	2	3	4	5	6	7
Subscribed capital		13,721,683	-	-	-	-	13,721,683
Capital premiums		-	-	-	-	-	-
Legal reserves		2,003,011	396,934				2,399,945
Carried-forward result		-	-	-	-	-	-
Unallotted profit		23,456,509	9,103,073		5,338,460		27,221,122
Uncovered loss		-	-	-	-	-	-
Credit balance		-	-	-	-	-	-
Result of fiscal year		-	-	-	-	-	-
Credit balance		9,894,836	6,666,654	-	9,894,836	-	6,666,654
Allocation of profit		-	-	-	-	-	-
Debit balance		(791,763)	(396,934)	-	(791,763)	-	(396,934)
Total		48,284,276	15,769,727	-	14,441,533	-	49,612,470

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EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

REPORTING ENTITY

SC EASY ASSET MANAGEMENT IFN SA
Fiscal code 28042464
J40 / 1680/ 2011
BUCHAREST, district 3
Str Logofat Tautu nr. 67

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS

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

A Bases of drawing up the financial statements

(1) General information

These financial statements were drawn up in compliance with:

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

These financial statements were drawn up based on historical cost, except for the cases presented below in accounting policies.

(2) Use of estimates

The drawing up of financial statements according to the Order of NBR no. 6/2015 requires the company management to make estimates and hypotheses which affect the reported values of assets and liabilities, presentation of assets and contingent debts at the drawing up of financial statements and income and expenses reported for that period. Even if these estimates are made by the company management based on the best information available at date of financial statements, the results earned can be different from these estimates.

(3) Business continuity

These financial statements were drawn up based on business continuity principle which involves that the Company will continue its activity in predictable future. In order to evaluate the applicability of this assumption, the management analyses the forecasts regarding future entries of cash and the support received from shareholders.

Based on these analyses, the management considers that the Company will be able to continue its activity in the predictable future.

(4) Currency for presentation of financial statements

In accordance with Order no. 6/2015, the currency for presentation of financial statements is the Romanian Leu ("RON"), which is the functional currency of the Company.

The financial statements are drawn up and presented in RON, rounded-off to leu.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

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 deduction date of transactions. At the end of each month, the balances in foreign currency are converted in lei at the exchange rates communicated by NBR for the last banking day of the month. The earnings and losses resulted from the deduction of transactions in a foreign currency and from conversion of monetary assets and liabilities expressed in foreign currency are recognized in the profit and loss account, in "Net profit or loss from financial operations".

The exchange rates as of December 31st, 2018, for the main currencies which had a significant impact on the financial statements of the Company were:

<u>Foreign currency</u>		<u>Exchange rate</u> <u>(lei for 1 unit of foreign currency)</u> December 31st, 2020
Euro	EUR	4.8694
American Dollar	USD	3.9660

C Intangible assets

The intangible assets are initially measured at cost. After the initial recognition, the intangible assets are recorded at cost minus the cumulated amortization and cumulated loss from depreciation.

All the intangible assets in balance as of December 31st, 2020 are depreciated based on straight-line depreciation method.

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

Concessions, patents, licences, trademarks, similar rights and assets are recorded at purchase cost or at contribution value.

The patents, licences, trademarks and similar assets are depreciated by using the straight-line depreciation method for a period of 3 years.

(ii) *Advances and other intangible assets*

In advances and other intangible assets, we record the advances given to suppliers of intangible assets, the software created by the entity or purchased from third parties for own needs of use, and other intangible assets.

D Tangible assets

(1) Cost/evaluation

The tangible assets are initially evaluated at acquisition cost. The acquisition cost includes the purchase price, the non-recoverable taxes, the transport expenses and other expenses necessary for the commissioning of asset.

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

The maintenance and repairs of tangible assets are recorded as expenses when they occur, and significant improvements brought to tangible assets, which increase their value or lifecycle, or which significantly increase the capacity of generating economic benefits by them are capitalized.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

(2) Amortization

The amortization is calculated at entry value, using the straight-line depreciation along the useful estimated lifecycle of assets, as follows:

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

Amortization is calculated since the month that follows the commissioning until the full recovery of their entry value.

(3) Sale/discarding of tangible assets

The tangible assets which are discarded or sold are eliminated from balance sheet with the adequate cumulated amortization.

Any profit or loss resulted as difference between the income generated by write-off and its undepreciated value, including the expenses incurred by such operation, is included in the profit and loss account in "Other operating income" or "Other operating expenses" , as applicable.

When the Company recognizes the cost of a partial replacement (replacement of a component) in the book value of a tangible asset, the book value of replaced part, with related amortization, is written-off.

E Depreciation of tangible assets

At the end of fiscal year, the value of elements of tangible and intangible assets is equalled to inventory results. For this purpose, the net book value is compared to the value established based on inventory, called inventory value. The differences noted in minus between the inventory value and the net book value of elements of fixed assets are recorded in accounting based on a supplementary amortization, in case of depreciable assets for which the depreciation is irreversible or an adjustment for depreciation or loss of value is made, when the depreciation is reversible. The inventory value is established based on utility of asset, its condition and market price.

F Financial assets

Financial assets are initially recognized in balance sheet at acquisition cost. The acquisition cost includes the trading costs. Later, the financial assets are evaluated at cost less cumulated adjustments for loss of value.

G Other receivables

The trade receivables are recorded in balance sheet at the invoiced amount less the provision for depreciation of these receivables. The provision for depreciation of trade receivables is created if there is objective evidence that the Company will not be able to collect all amounts at initial deadlines.

H Receivables on credit institutions

Receivables on credit institutions represent the placements of the Company in current accounts and deposits at banks.

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

I Receivables on customers and specific credit-risk provisions

(i) Evaluation

The receivables on customers include the loans granted by the Company in loan contracts for consumer goods and under the form of loans and are recorded at cost minus the provision for depreciation. The cost of loans is defined as the funds advanced minus the total repayments. All the loans are recognized when the funds are made available to customers.

(ii) Provisions for credit risk

Provisions for credit risk are created based on the evaluation of portfolio of loans and advances, including interests and penalties not received. The provisions are recorded as expenses in the profit and loss account, and in the balance sheet they are deducted from total loans and interests not received.

The provisions for the credit risk are created based on Regulation no. 5/2012 for classification of loans and placements and creation, settlement and use of specific credit-risk provisions; Regulation no. 5/2012 for classification of loans and placements, and creation, settlement and use of specific credit-risk provisions; Regulation no. 5/2012 for reporting of situations regarding the classification of exposures from loans/placements and the necessity of specific credit-risk provisions.

The Regulation applicable to non-banking financial institutions regulates:

- a) Classification of loans given to customers from non-banking financial sector;
- b) Determination of the necessity of specific credit-risk provisions related to classified loans; and
- c) creation, settlement and use of specific credit-risk provisions.

(iii) Provisions for risk resulted from disputes against the company – creation of provisions based on the report received from the legal department which evaluates the payment risk of potential monetary damages, penalties and court costs.

(iv) Provisions for risk regarding the payment of non-taken leaves – creation of provisions based on the report received from the Human Resources Department who quantifies the number of leave days owed and not taken by all the company employees until the end of year. We calculate the value of these leave days and it is recorded as provision.

(v) Provisions for loans closed and suspicious of fraud - creation of provisions based on the report received from the legal department who evaluates the risk of not receiving these loans.

(vi) Provisions for bonus loyalty points - creation of provisions based on the report received from the colleagues from the group who provide the information about loans which accumulated bonus points and value of bonus points.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

I Receivables on customers and specific credit-risk provisions (to be continued)

The specific provisions are created for the granted loan contracts considered as bad according to internal norms and regulations in force. For the loan contracts, the procedure takes into account both the debt service history under the payment of interest and principal at due date and initiation of legal proceedings regarding the bad loans. Following such an evaluation, we have the classification of loans into five categories, as follows:

Debt service	Initiation of legal proceedings	No legal proceedings were initiated	Receivable recovery proceedings were initiated S-
0 - 15 days		Standard	Loss
16 - 30 days		Under observation	Loss
31 - 60 days		Substandard	Loss
61- 90 days		Doubtful	Loss
Minimum 91 days		Loss	Loss

The determination of the necessity of specific credit-risk provisions is made by applying the relevant provision ratio to the calculation base obtained, as follows:

Classification category	Loans recorded in lei granted to debtors, individuals
Standard	0
Under observation	0,05
Substandard	0,20
Doubtful	0,50
Loss	1,00

The loans granted to a debtor are classified in only one category based on the principle of declassification by contamination, by taking into account the poorest of the individual categories of classification.

The calculation base of the necessity of provisions is determined by the deduction from the exposure of the Company to the debtor of the guarantees accepted to be taken into account, weighted by the deduction ratio, according to the provisions of Regulation no. 5/2012 ("adjusted exposure").

In the year 2020 there were guarantees which the company takes into account in the creation of provisions for the category of loans with mortgage.

The creation of specific credit-risk provisions is carried out by including in expenses the amount which represents the necessity level of specific credit-risk provisions.

The use of specific credit-risk provisions refers to the annulment of specific credit-risk provisions and **is made by resumption as income of the amount which represents the existing balance of specific credit-risk provisions related to loans for which one of the following conditions is fulfilled:**

- All the legal possibilities of recovery were exhausted or the statute of limitations was fulfilled;
or
- The contractual rights for that loan were transferred.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

J Cash and cash equivalences

Cash and cash equivalences are highlighted in balance sheet at historical cost. For the cash flow statement, the cash and cash equivalences include the cash at hand, bank accounts at banks and deposits at banks with an initial maturity below 3 months.

K Capital

Lei 13,721,684

L Loans

The short-term and long-term loans are initially recorded at the received amount, net of costs of obtaining loans.

M Loan contracts

The loan represents any commitment to pay an amount of money in exchange for the right to reimburse the amount paid, and the payment of an interest or other expenses related to this amount.

N Commercial debts

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

O Provisions for risks and expenses

Provisions for risks and expenses are recognized when the Company has a legal or implicit obligation generated by a previous event, when for the extinction of obligation, it is likely to be necessary an exit of resources and when a credible estimate can be made regarding the value of obligation.

P Benefits of employees

Pensions and other benefits after retirement

In the normal course of activity, the Company makes payments to social insurances and health insurances funds in the account of its employees. All the Company employees are members of the pension scheme of the Romanian state. These costs are recognized in the profit and loss account with the recognition of salaries.

The Company does not operate any other pension scheme or benefits after retirement and so, does not have any other obligations regarding pensions.

Q Taxation

(i) Current profit tax

In accordance with the Romanian fiscal regulations, the calculation of current profit tax starts from the result of fiscal year, corrected with deductible and non-deductible elements to which tax quotas in force at the drawing up of balance sheet shall apply.

The annual loss established by the profit tax return is recovered from the taxable profits obtained in the following 7 consecutive years for the annual losses recorded since 2010. The recovery of losses will be made in the order of their recording, at each payment deadline of profit tax, according to the Romanian legal provisions in force in the year of their recording.

(ii) Deferred profit tax

The Company does not recognize deferred profit tax.

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

R Revenues and expenses from interests

The revenues and expenses from interests are recognized in the profit and loss account according to the commitment accounting principle.

The revenues and expenses from interests include the amounts resulted from the scheduling of any premium or discount between the initially recognized value of an asset or debts contracted and their corresponding value at due date.

The revenues and expenses from interests include also the depreciated value of commissions for financial services using the effective interest method which is a method of depreciated cost of a financial asset or a financial liability and income respectively expense from interests for a relevant period of time. The effective interest rate is the exact rate which discounts the future cash flows estimated to be paid or to be received for the life of financial instrument.

The Company estimates the future cash flows by taking into account all the contractual terms of the financial instrument (for example, payments in advance, commissions and other) but does not take into account the future loan losses. The calculation method includes all the charges and commissions paid or received between the Parties, which are part of effective interest.

The commissions which are part of the effective interest rate of a financial instrument represent a compensation for activities such as evaluation of financial situation of debtor, evaluation and recording of guarantees, collaterals and other similar contracts, negotiation of clauses of financial instrument, drawing up and processing of documents and closing of transaction in case of granting loans, commitment commissions received for granting a loan, when the granting of a loan and other similar amount is probable. These commissions, together with the related transaction costs are deferred and recognized as an adjustment of interest income, by using the effective interest rate method. The undepreciated part of these commissions is reflected as income or accrued expenses.

The related transaction costs are costs directly attributed to granting loans which would not have appeared if the Company had not granted the loan. The transaction costs include the fees and commissions paid to third parties and do not include financing costs or internal administrative costs.

The interests to be received and similar income include interests from the main activity of the Company represented by "Granting consumer loans".

The revenues and expenses from interests include also the amounts resulted from the scheduling of any premium between the initially recognized value of an asset or contracted debts and their corresponding value at due date.

S Income and expenses from commissions

The income from commissions results from the financial services offered by the Company or from the fulfilment of requirements from customers.

The expenses with commissions include the expenses of services provided by third parties, such as commissions for the payment of commercial operations and other expenses or income, account administration expenses.

The recognition of income or expenses from commissions depends on their economic nature. Thus, by economic nature, the commissions classify into three categories:

- Commissions which are part of interest rate of a financial instrument (e.g., commission for granting loans), the accounting treatment applied to this type of commissions is described in "Revenues and expenses from interests".
- Commissions earned to the extent of providing services, recognized in the profit and loss account as the services are provided or during the commitment period. Such commissions include among other things, the commissions for administration of a loan.
- Commissions earned at the fulfilment of a main contractual obligation recognized in the profit and loss account at the fulfilment of significant service.

1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

T Other operating income and expenses

They are recorded based on commitment accounting, for the period to which they refer.

In these financial statements, the revenues and expenses are presented at gross value. In the balance sheet, the debts and receivables from the same partners are presented at net value when there is a compensation right.

U Contingent assets and liabilities

(i) Contingent assets

A contingent asset is a potential asset which appears after events prior to the balance sheet date and whose existence will be confirmed only by the appearance or non-appearance of one or more future uncertain events, which may not be under the control of the Company.

Contingent assets are not recognized in financial statements because they are not certain and their recognition would determine the recognition of an income which may never realize.

If the realization of an income is certain, the related asset is not a contingent asset and it is recognized in balance sheet for the period when changes occurred. The contingent assets, if they exist, are continuously evaluated to assure the adequate reflection of changes occurred in financial statements.

(ii) Contingent liabilities

A contingent liability is a potential obligation appeared as a result of past events prior to balance sheet date and whose existence will be confirmed only by the appearance or non-appearance of one or more future uncertain events, which are not under the control of the Company or a current obligation appeared as a result of past events prior to the balance sheet date, but which is not recognized because it is not certain that resources will be necessary, which incorporate economic benefits for the extinction of this debt or the value of debt cannot be sufficiently credibly evaluated. The contingent liabilities are not recognized in the balance sheet, they are presented in the off-balance sheet elements. If the Company has an obligation jointly committed with other Parties, the part undertaken by the other Parties is presented as a contingent liability.

The contingent liabilities are continuously evaluated to determine whether an exit of resources which incorporate economic benefits became likely. If it is likely that an exit of resources is necessary, resources which incorporate economic benefits for an element previously considered as contingent liability, a provision is recognized in the financial statements for the period when the change occurred, except for the cases when no credible estimate can be made and therefore, there will be a debt which cannot be recognized, but it will be presented as contingent obligation.

V Affiliated Parties

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

- The Entity and the Company are part of the same group;
- The Entity is associated with the Company or a joint venture;
- Both of them are joint ventures of the same third party;
- It is a joint venture of a third party, and the other entity is associated with the third party;
- The Entity is a post-hiring benefits plan for the benefit of Company employees or the employees of an affiliated entity to the Company (if the Company itself is such a plan, the employers who fund the plan are affiliated to the Company);
- The Entity is controlled or jointly controlled by a person or close member of his/her family who (a) holds control or joint control of the Company or (b) has a significant influence on the Company or (c) is part of the key staff from the company management or from the management of a mother company of the Company.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
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1 PRINCIPLES, POLICIES AND ACCOUNTING METHODS (to be continued)

V Affiliated Parties (to be continued)

In taking into account each possible connection of affiliation, the attention is drawn to the substance of this connection and the legal form.

W Dividends

Dividends are treated as profit distribution for the period when they are declared and approved by the General Meeting of Shareholders, proportionally to the participation quota to share capital.

In accordance with the provisions of Law no. 31/1990 for Companies, if we notice a loss of net asset, the subscribed share capital must be completed or reduced because we can make any allocation or distribution of profit.

X Statutory reserves

The statutory reserves represent annual transfers accrued from carried-forward result, according to the Romanian legal regulations which specify that 5% of the gross accounting profit of the Company must be transferred to a non-distributable reserve account until the reserve reaches the level of 20% of the share capital of the Company. The statutory reserves are not distributed to shareholders.

Y Comparatives

Where it was necessary, the comparative amounts were adjusted and reclassified in order to reflect the changes of presentation from the current period according to Order no. 6/2015 as further amended and supplemented.

Z Events after the balance sheet

The effects of events after the balance sheet date, which provide further information about the financial position of the Company and which require adjustments are reflected in the balance sheet and in the profit and loss account, as applicable. The significant events which do not require adjustments are highlighted in notes to financial statements.

2 CASH AND CASH EQUIVALENCES

	December 31st, 2019	December 31st, 2020
Cash lei	549,264	417,192

3 RECEIVABLES ON CREDIT INSTITUTIONS

	December 31st, 2019	December 31st, 2020
Current accounts at banks in foreign currency	23,459	45,337
Current accounts at banks in lei	3,765,196	9,513,882
TOTAL	3,788,655	9,559,219

EASY ASSET MANAGEMENT IFN S.A
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4 RECEIVABLES ON CUSTOMERS	December 31 st , 2019	December 31 st , 2020
<u>a) Consumer loans for personal needs</u>		
Consumer loans for personal needs	100,761,036	109,506,439
Expenses with provisions	(41,982,296)	(65,179,941)
Total	58,778,740	44,326,498

b) Receivables of interests attached and penalties (note 7)

Receivables of interests attached	30,511,893	46,275,427
Penalties	3,367,240	8,987,790
Expenses with provisions	(28,490,862)	(51,294,066)
Total	5,388,271	3,969,151

Movement of adjustments for depreciation of receivables:

	2019	2020
Balance at beginning of period:	(54,901,915)	(70,473,159)
Expenses with adjustments for depreciation of receivables	(53,590,789)	(46,000,847)
Revenues from the reversal of adjustments for depreciation of receivables	38,019,545	-
Balance at the end of period:	(70,473,159)	(116,474,006)
Provision for principal	(41,982,296)	(65,179,940)
Provision for interest	(24,432,872)	(41,136,840)
Provision for penalties	(2,975,746)	(8,833,339)
Provision – criminal clause	(337,794)	(118,585)
Provision for commissions	(744,451)	(1,205,303)

c) Other provisions

	2019	2020
Balance at the beginning of period:	(2,170,815)	(2,088,190)
Expenses with adjustments for depreciation of receivables	(254,114)	-
Revenues from reversal of adjustments for depreciation of receivables	336,739	663,238
Balance at the end of period:	(2,088,190)	(1,424,952)
Other provisions – leave days	(1,898,406)	(1,257,198)
Other provisions – disputes	(131,100)	(116,900)
Other provisions – loyalty	(58,684)	(50,684)

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AS OF December 31st, 2020

5 TANGIBLE AND INTANGIBLE ASSETS

At December 31st, 2020 the net accounting value was as follows:

				Write-down		Final balance
GROSS VALUE OF FIXED ASSET ELEMENTS	Position code	Initial balance	Increase s	Total	Of which: dismemberments and discarding	(col.5=1+2-3)
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
INTANGIBLE ASSETS						
Goodwill	101	-	-	-	-	-
Establishment expenses	102	345			X	345
Other intangible assets	103	550,820	40,127		X	590,947
Advances and intangible assets in progress	104	466	(466)		X	-
TOTAL (pos.101 to 104)	105	551,631	39,661		X	591,292
TANGIBLE ASSETS						
Land	106	-	-	-	-	-
Land arrangements	107	-	-	-	-	-
Constructions	108	-	-	-	-	-
Technological equipment (machinery and work installations)	109	-	-	-	-	-
Measurement, control and adjustment installations and devices	110	924,339	57,943		-	982,282
Means of transport	111	2,689,012	-	40,476		2,648,536
Furniture, office equipment, equipment for protection of human and material values and other tangible assets	113	32,207	-	-	-	32,207
Advances and tangible assets in progress	114				X	
TOTAL (position 106 to 114)	115	3,645,558	57,943	40,476		3,663,025
FINANCIAL ASSETS						
Public effects and similar values	116	-	-	-	-	-
Debentures and other securities with fixed income	117	-	-	-	-	-
Equity shares in affiliated companies	118	-	-	-	-	-
Participation interests and portfolio activities	119	-	-	-	-	-
TOTAL (row 116 to 119)	120	-	-	-	-	-

EASY ASSET MANAGEMENT IFN S.A
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FIXED ASSETS - TOTAL						
(rows 105+115+120)	121	4,197,189	97,604	40,476		4,254,317

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
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5 TANGIBLE AND INTANGIBLE ASSETS (TO BE CONTINUED)

DEPRECIATION/AMORTIZATION/PROVISIONS

AMORTIZATION RELATED TO FIXED ASSET ELEMENTS	Position code	Initial balance	Amortization during the year	Amortization for written-off fixed assets	Amortization at end of year (col.9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
INTANGIBLE ASSETS					
Goodwill	131	-	-	-	-
Establishment expenses	132	345	-	-	345
Other intangible assets	133	421,644	83,706	-	505,350
TOTAL (pos.131 to 133)	134	421,989	83,706		505,695
TANGIBLE ASSETS					
Land arrangements	135	-	-	-	-
Constructions	136	-	-	-	-
Technological equipment (machinery and work installations)	137	366,658	120,535	-	487,193
Measurement, control and adjustment installations and devices	138	-	-	-	-
Means of transport	139	815,136	536,668	20,229	1,331,575
Furniture, office equipment, equipment for protection of human and material values and other tangible assets	141	-	-	-	0
TOTAL (pos.135 to 141)	142	1,181,794	657,203	20,229	1,818,768
AMORTIZATIONS - TOTAL (pos.134+142)	143	1,603,783	740,909	20,229	2,324,463

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
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6 OTHER ASSETS

	December 31st, 2019	December 31st, 2020
CONTRIBUTIONS OF SICK LEAVES 0.75%	377,665	1,137,331
NON-RESIDENT TAX	6,830	6,830
ADVANCES GIVEN TO STAFF	1,656	2,001
DEPOSITS OF PAID GUARANTEES	313,655	284,873
OTHER SUNDRY DEBTORS *	15,687,854	17,816,900
SUNDRY DEBTORS	324,126	320,036
OTHER INVENTORIES	2,292	2,272
ADJUSTMENTS FOR DEPRECIATION OF RECEIVABLES	(254,222)	(320,035)
OTHER AMOUNTS RECEIVED AS SUBSIDIES	-	(33,905)
TOTAL	16,459,857	19,216,304

*"Other sundry debtors" is composed of:

	<i>December 31st, 2019</i>	<i>December 31st, 2020</i>
Transactions of affiliated parties (note 25)	14,413,845	16,384,771
Contract for assignment of receivables not received**	1,199,920	1,199,920
Advances of services***	74,089	232,209
TOTAL	15,687,854	17,816,900

** During the year 2019, we recorded sales of bad loans, under the form of receivable assignment contracts, the amount of Lei 1,199,920 represents the countervalue of the assignment contract left unreceived on 31.12.2020, Agency for Control of Outstanding Debts SRL.

*** Advances for services are composed of:

- amounts received from customers by the platform EuPlatesc.ro and not deducted to Easy Asset Management IFN on 31.12.2020 (Lei 108,161);
- amounts received from customers by consultants and not deducted to Easy Asset Management IFN on 31.12.2020 (Lei 45,435);
- Advances given to providers of online services (Google and Facebook) (Lei 27,265)
- Advances given to fuel suppliers (Lei 19,530)
- other advances given to suppliers for miscellaneous services (Lei 31,818)

7 ACCRUED EXPENSES AND COMMITTED REVENUES

	December 31st, 2019	December 31st, 2020
ACCRUED EXPENSES	355,245	426,885
Attached receivables, of which:	28,363,262	33,879,133
Interests	30,511,893	46,275,427
Penalties	3,367,240	8,987,790
Specific adjustments for depreciation:	(28,490,862)	(51,294,066)
COMMITTED REVENUES	5,388,271	3,969,151
TOTAL	5,743,516	4,396,037

EASY ASSET MANAGEMENT IFN S.A
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8. LOANS RECEIVED FROM THE MOTHER COMPANY

	December 31st, 2019	December 31st, 2020
Loans received from the mother company	-	-
Interest	-	-
Total	=	=

9 OTHER LIABILITIES REGARDING CUSTOMERS

	December 31st, 2019	December 31st, 2020
Other liabilities	752,093	670,350

10 OTHER LIABILITIES

	December 31st, 2019	December 31st, 2020
Staff salary owed	1,836,285	1,854,042
Social insurances	1,194,892	1,184,229
Salary tax	184,134	191,934
VAT	45,194	34,763
Profit tax	590,589	379,196
SUNDRY CREDITORS *	2,344,495	1,606,404
Other loans (Note 25)	24,703,274	14,705,492
TOTAL	30,898,863	19,956,063

*"Sundry creditors" is composed of:

	<u>December 31st, 2019</u>	<u>December 31st, 2020</u>
<i>Transactions of affiliated Parties</i> <i>(note 25)</i>	50,466	33,366
Unpaid suppliers**	1,587,044	975,311
PFA invoices***	706,985	596,096
<i>Total</i>	<u>2,344,495</u>	<u>1,606,404</u>

** "Unpaid suppliers" is composed of:

- invoices representing media-marketing promotion services issued during the year 2020 unpaid until 31.12.2020 (Lei 612,328);
- invoices representing fuel issued during the year 2020 unpaid until 31.12.2020 (Lei 32,683)
- invoices representing receivable recovery services or other legal services issued during the year 2020 unpaid until 31.12.2020 (Lei 69,057);
- other invoices unpaid until 31.12.2020 (Lei 261,243);

*** "PFA invoices" represent the fees for contracts signed with self-employed persons left unpaid until 31.12.2020 and paid in the following month.

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
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11 DEFERRED REVENUES AND COMMITTED LIABILITIES	December 31st, 2019	December 31st, 2020
Loan interest (Note 25)	4,190,292	6,932,221
Debts of leasing operations	1,530,953	1,060,112
EXPENSES TO BE PAID	168,770	188,936
TOTAL	5,890,015	8,181,269

12 STATEMENT OF RECEIVABLES AND LIABILITIES

a) Receivables	December 31st, 2020	Liquidity deadline	
	<1 year	1 year - 5 years	over 5 years
Receivables on customers (Note 4 and Note 7)	208,439,284	-	-
Adjustments of value for receivables on customers (Note 4 and Note 7)	(116,474,006)	-	-
Net receivables on customers	91,965,278	-	-
Other receivables (Note 6)	19,216,304	-	-
Accrued expenses (Note 5)	426,885	-	-
Total	111,608,467	-	-

b) LIABILITIES

	December 31st, 2020	Exigibility deadline	
	<1 year	1 year - 5 years	Over 5 years
Loans and interests from the mother company	-	-	-
Other liabilities regarding customers	670,350	-	-
Other liabilities	19,956,063	-	-
Liabilities of leasing operations	438,672	621,440	-
Other provisions	1,424,952	-	-
Other liabilities	7,121,157	-	-
Total	29,611,194	621,440	-

13 SUBSCRIBED SHARE CAPITAL

	December 31st, 2019	December 31st, 2020
Capital	13,721,683	13,721,683

14 ALLOCATION OF PROFIT	December 31st, 2019	December 31st, 2020
Gross Profit/(loss) earned	16,627,024	8,335,614
Net Profit/(loss), of which allotted for:	10,686,599	7,063,588
Legal reserve	791,763	396,934
Net Profit/(loss), after allocation of legal reserve	9,894,836	6,666,654

EASY ASSET MANAGEMENT IFN S.A
NOTES TO ANNUAL FINANCIAL STATEMENTS
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15 INTERESTS TO BE RECEIVED AND SIMILAR INCOME

	<u>December 31st, 2019</u>	<u>December 31st, 2020</u>
Interest income	118,188,020	102,300,505
Penalties	7,223,348	9,492,406
Income from file examination taxes	2,323,588	1,874,780
Total	<u>127,734,956</u>	<u>113,667,691</u>

Interests to be received and similar values are composed of the interests applied to loan and the other similar income: penalties and income from file examination taxes.

16 EXPENSES WITH COMMISSIONS

	<u>2019</u>	<u>2020</u>
Bank charges	89,822	120,179
Commissions for leasing analysis	1,791	-
TOTAL	<u>91,612</u>	<u>120,179</u>

17 RESULT FROM FINANCIAL OPERATIONS

	<u>2019</u>	<u>2020</u>
Net operating loss	(384,741)	(259,660)
Financial		

18 OTHER OPERATING INCOME

	<u>2019</u>	<u>2020</u>
Income from other activities	48,390	50,367
Income from assignments	9,123,977	-
Income from indemnification	8,461	101,708
Income from damages of loan contracts	140,129	8,373
Other operating income	5,057	8,815
TOTAL	<u>9,326,014</u>	<u>169,262</u>

19 INFORMATION ON EMPLOYEES AND MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES

a) Indemnities given to members of management and supervisory bodies

	<u>2019</u>	<u>2020</u>
Total expenses with salaries, of which:	36,300,860	33,675,959
Directors	311,903	364,224
Expenses with social insurances, of which:	1,864,392	944,397
Directors	167,946	196,119
Expenses with contributions for pensions, of which:	(1,035)	774
Directors	-	-

b) Advances and loans given to members of management and supervisory bodies

No loans were given to managers or directors and there are no future obligations regarding guarantees undertaken by the Company in their names.

EASY ASSET MANAGEMENT IFN S.A
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c) Employees	2019	2020
The average number of employees during the year was:	611	526

20 OTHER ADMINISTRATIVE EXPENSES

	2019	2020
Expenses with inventory items	204,952	201,037
Expenses with consumables	2,090,517	1,381,562
Maintenance and utilities	874,925	1,053,445
Postal and telecommunication expenses	1,759,254	1,512,022
Travel expenses	528,645	265,380
Protocol and advertising expenses (i)	4,453,489	3,289,993
Other services provided by third parties (ii)	10,067,744	9,417,859
Total	19,979,526	17,121,299

21 OTHER OPERATING EXPENSES

	2019	2020
Other taxes and duties	53,536	67,551
Expenses with rents	4,289,910	3,848,859
Accessories and penalties	319,542	119,632
Loan interests	3,276,335	2,648,048
Sponsorships	350,197	427,462
Expenses with assignment of fixed assets	20,201	20,247
Other miscellaneous operating expenses (receivable assignments) *	38,024,154	-
Other miscellaneous operating expenses	71,323	463,802
TOTAL	46,405,198	7,595,602

*As for the miscellaneous operating expenses, we mention that during the year 2020, there were no assignments of receivables.
During the year 2019, assignments of bad loans were recorded under the form of receivable assignment contracts at the nominal value of Lei 38,024,154.

22 CORRECTIONS OF RECEIVABLES AND PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS

	2019	2020
Expenses with provisions for principal	29,840,635	23,197,644
Expenses with provisions for penalties	4,484,538	5,857,593
Expenses with provisions for interests	19,031,103	16,703,968
Expenses with provisions for commissions	611,073	460,852
Expenses with provisions for guarantee clause	(376,560)	1,344
Expenses with provisions for closed loans	-	65,813
Expenses with provisions for not taken leaves	254,114	-
Expenses with other provisions - disputes	-	-
Expenses with other provisions - loyalty	-	-
Expenses with loss of loans	-	-
Total	53,844,903	46,287,213

EASY ASSET MANAGEMENT IFN S.A
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23 REVERSALS OF CORRECTIONS OF RECEIVABLES AND PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS

	<u>2019</u>	<u>2020</u>
Income from reversal of provisions for assignments	38,019,545	220,553
Income from adjustments of other provisions	371,690	663,238
Total	<u>38,391,235</u>	<u>883,791</u>

24 RECONCILIATION OF ACCOUNTING RESULT OF FISCAL YEAR WITH THE FISCAL RESULT

	<u>2019</u>	<u>2020</u>
Accounting Profit/loss	15,835,261	7,938,680
Profit tax	5,940,425	1,272,026

Reconciliation of accounting result with fiscal result

TOTAL INCOME, of which:	<u>114,738,021</u>
Total taxable income	113,854,230
Total non-taxable income	883,791
TOTAL EXPENSES of which:	<u>(165,692,614)</u>
Non-deductible expenses	(4,594,301)
Fiscal loss carried-forward	-
Legal reserve to be created	(396,934)
Profit tax quota	16%
Profit tax 16%	<u>(1,272,026)</u>
Sponsorship within legal limit	(318,006)
Result	<u>6,666,654</u>

