



MOGO IFN S.A.

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

**PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(all amounts are expressed in lei, unless otherwise specified)



	Note	2024	2023
Interest income calculated using the effective interest method	6	87.947.037	67.711.876
Other similar income	6	-	18.124
Interest expense calculated using the effective interest method	6	(25.072.162)	(22.279.111)
Other similar expenses	6	(180.338)	(85.339)
Net interest income		62.694.537	45.365.550
Fee and commission income	7	353.199	218.907
Fee and commission expenses	7	(134.526)	(102.623)
Net fee and commission income		218.673	116.284
Gains less losses on derecognition of financial assets measured at amortised cost	8	123.783	340.591
Other operating income	9	200.319	153.305
		324.102	493.896
Total operating income		63.237.312	45.975.730
Credit loss allowance	10	(21.748.838)	(19.310.526)
Gain(Losses) from the impairment of non-financial assets		(17.023)	18.053
Personnel expenses	11	(10.079.057)	(8.523.244)
Depreciation and amortisation expenses		(988.227)	(865.511)
Other operational expenses	12	(35.963.061)	(14.394.405)
Net gain/(loss) from foreign currency translation	13	(435.728)	(888.127)
		(69.231.934)	(43.963.760)
Profit / (loss) before tax		(5.994.622)	2.011.970
Income tax expense	19	(188.559)	(1.676.708)
Net profit/(loss) for the year		(6.183.181)	335.262
Other comprehensive income		-	-
Total comprehensive income for the year		(6.183.181)	335.262

The financial statements were approved by the Board of Directors on May 08, 2025 and were signed on its behalf by:

Chief Executive Officer,
PRUNĂ Lucian

Deputy CEO,
TETICI Marilena



			31 December
	Note	31 December 2024	2023
ASSETS			
Cash and cash equivalents	14	9.216.445	557.694
Loans and advances to customers	15	223.236.016	166.954.774
Loans to related parties		38.940.185	5.909.061
Other assets	17	2.945.871	2.039.147
Intangible assets		140.915	206.217
Property, plant and equipment	18	3.170.635	3.807.011
Income tax receivable	19	1.501.416	-
Deferred tax assets	19	828.378	412.572
TOTAL ASSETS		278.478.445	179.886.476
LIABILITIES			
Borrowings	23	219.973.288	161.340.115
Lease liabilities	24	2.796.947	3.052.960
Other liabilities	27	22.973.358	5.344.577
Income tax liabilities	19	-	1.089.191
TOTAL LIABILITIES		245.743.593	170.826.843
EQUITY			
Share capital	24	30.782.400	924.000
Legal reserves	24	184.800	184.800
Retained earnings		1.767.652	7.950.833
TOTAL EQUITY		32.734.852	9.059.633
TOTAL LIABILITIES AND EQUITY		278.478.445	179.886.476

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		31 December 2024	31 December 2023
Cash flows from the operating activities	Note		
Profit/(loss) before tax		(5.994.622)	2.011.970
<i>Adjustments for:</i>			
Amortization and depreciation		988.228	865.511
Interest expense calculated using the effective interest method	6	25.072.162	22.279.111
Other similar expense		180.338	85.339
Interest income calculated using the effective interest method	6	(87.947.037)	(67.730.000)
Disposals of non-current assets		(21.449)	877
Impairment of financial assets		21.856.505	19.310.525
(Decrease) / increase in current provisions	22	3.232.673	(18.053)
(Gain)/loss from derecognition of financial assets	8	231.450	340.591
(Gain)/loss from currency exchange rate fluctuations	13	407.649	888.123
		(41.994.103)	(21.966.006)
Operating profit before the change in operating assets and liabilities			
Change in working capital			
(Increase)/decrease of current assets		(104.341.828)	(21.695.227)
Increase / (decrease) of current liabilities		15.218.966	3.088.675
		(131.116.965)	(40.572.558)
Cash from operating activity			
Interest received		79.922.874	61.494.698
Interest paid		(25.494.750)	(20.516.864)
Corporate income tax paid	19	(3.244.095)	(2.296.726)
		(79.932.936)	(1.891.450)
Net cash flows from the operating activity			
Cash flows from investing activity			
Payments for purchases of tangible and intangible assets		(160.128)	(878.064)
		(160.128)	(878.064)
Cash flows from the financing activity			
Receipts from borrowings		186.129.188	165.482.102
Borrowings repayments		(96.369.440)	(165.490.068)
Issue of ordinary shares	24	29.858.400	-
Payments for assets representing the right to use	16	(625.625)	(741.988)
		89.134.123	(749.954)
Cash flows from the financing activity			
Increase/(Decrease) net cash balance and cash equivalents		9.041.059	(3.519.468)
Exchange differences from cash and cash equivalents revaluation		(382.308)	(267.701)
Cash and cash equivalents at 1 January	14	557.694	4.344.863
Cash and cash equivalents at 31 December	14	9.216.445	557.694

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	Share capital	Legal reserves	Retained Earning	Total
Balance at 1 January 2023	924.000	184.800	7.615.567	8.724.367
Comprehensive income				
Net profit for the year	-	-	335.266	335.266
Total comprehensive income	-	-	335.266	335.266
Balance at 31 December 2023	924.000	184.800	7.950.833	9.059.633
Balance at 1 January 2024	924.000	184.800	7.950.833	9.059.633
Comprehensive income				
Net profit/(loss) for the year	-	-	(6.183.181)	(6.183.181)
Total comprehensive income	-	-	(6.183.181)	(6.183.181)
Transactions with shareholders				
Share issue (Note 24)	29.858.400	-	-	29.858.400
Balance at 31 December 2024	30.782.400	184.800	1.767.652	32.734.852

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1. GENERAL INFORMATION ABOUT THE COMPANY AND ITS OPERATING ENVIRONMENT

The joint-stock company MOGO IFN (hereinafter referred to as "the Company") was registered with the Trade Register Office attached to the Bucharest Tribunal on 06 April 2016, having the unique registration code 35917970 and order number in the Trade Register J2016005043409. The company is incorporated and operates for an unlimited period of time, in accordance with the legal provisions in force.

Company's carried out its activity through its registered office, which as of 31 December 2024 is established in Bucharest, sector 3, 165 Splaiul Unirii Street, Timpuri Noi Square Building, 7th floor.

The main field of activity of the company consists of: "Other activities of financial intermediation, excluding insurance activities and pension funds" (CAEN group 649), the main activity of the Company being "Other lending activities" (financing of commercial transactions, CAEN code 6492).

The company is registered in the General Register kept by the National Bank of Romania under the number RG-PJR-41-110316/ 09.11.2016. Since 16 February 2018 the Company has been registered in the Special Register of the National Bank of Romania under the number RS-PJR-41-110097/16.02.2018.

During 2024 and 2023 following changes occurred in the shareholding structure described above.

On 31 December 2023, the shareholding structure is as follows:

Shareholder	Country of origin	Number of shares held	Value of the share	Share in share capital
AS Eleving Stella	Latvia	10,499	923,912	99.9904%
UAB Eleving Stella (former AS Mogo)	Lithuania	1	88	0.0096%
Total		10,500	924,000	100%

On 31 December 2024, the shareholding structure is as follows:

Shareholder	Country of origin	Number of shares held	Value of the share	Share in share capital
AS Eleving Stella	Latvia	349.799	30.782.312	99.9997%
UAB Eleving Stella (former AS Mogo)	Lithuania	1	88	0.0003%
Total		349.800	30.782.400	100%

Average number of employees in the reporting year (persons):

2024	2023
66	64

AS Eleving Stella established in Skanstes iela 52, Riga, Latvia, is the company that prepares the consolidated financial statements of the smallest group of entities to which the Company belongs.

Eleving Group S.A. (renamed from Mogo Finance S.A.), having its registered office at 8-10, Avenue de la Gare, 1610 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade Register under no., B 174.457, is the company that prepares the consolidated financial statements of the largest group of entities (Eleving Group S.A.) to which the Company belongs. Consolidated annual financial statements are available on the official website of Eleving Group SA: [Investors - Eleving Group](#).

2. BASICS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Declaration of conformity

These financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) ("IFRS Accounting Standards ") as adopted by the European Union, for the year ended 31 December 2024.

The present financial statements of the Company were approved by the Board of Directors on May 08, 2025.

2.2 Basics of evaluation

These financial statements have been prepared under the historical cost convention, unless otherwise stated. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.3 Functional and presentation currency

The financial statements of the Company are prepared and presented in LEI (RON), this being the functional currency of the Company. The Management of the Company considers that this presentation provides reliable and relevant information for the users of the financial statements since all the elements included in the financial statements are evaluated using the currency of the economic environment in which the Company operates.

2.4 Use of significant estimates and judgments

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates with a significant impact. It also requires the management to exercise its judgment in the process of applying the accounting policies of the Company. The areas where a more advanced level of judgment and complexity is required, as well as the areas where the assumptions and estimates used are significant for the financial statements, are described in Note 5. Although these estimates are based on management's best knowledge of current events and happenings, the actual results may differ from these estimates.

2.5 The principle of going concern

These financial statements were prepared using the principle of going concern, which assumes that the Company will continue its activity in the near future. In carrying out this judgment, the management of the Company takes into account the current performance of the Company and the access to financial resources. Thus, on 31 December 2024, the Company recorded a net loss in the amount of 6.183.181 lei (2023: profit of 335.226 lei). The loss is due to a one-off, non-operational event as a result of the tax audit detailed in note 12. Management does not estimate that this event will affect the Company's ability to continue as a going concern. The net assets of the Company represent 32.734.852 lei (2023: 9.059.633 lei), and own funds 112.031.878 lei (31 December 2023: 112.031.878 lei).

3. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

A series of new standards in force for annual periods beginning on or after 1 January 2024 and in which early application is allowed.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024)

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024)

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional.

The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period.



A loan is classified as non-current if a covenant is breached after the reporting date. Amendments clarify classification requirements for debt that can be settled by converting it into equity. 'Settlement' means extinguishing a liability with cash, resources with economic benefits, or equity instruments. There is an exception for convertible instruments that can be converted into equity, but only if the conversion option is classified as an equity instrument in a compound financial instrument.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024)

In May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to enhance disclosure about supplier finance arrangements (SFAs) in response to user concerns regarding inadequate financial statement disclosures. These amendments require entities to disclose SFAs to help users assess their impact on liabilities, cash flows, and liquidity risk. While the amendments do not change recognition or measurement principles, they aim to improve transparency.

The application of these amendments had no significant impact on the Company's financial statements.

3.1. New Accounting Pronouncements

Additionally, new standards mandatory for periods starting on or after 1 January 2025 have been issued, which the Company has not early adopted.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).

IFRS 1 clarifies that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria' for hedge accounting, resolving confusion with IFRS 9. IFRS 7 requires disclosures about gains or losses on derecognition of financial assets with continuing involvement, now including 'significant unobservable inputs' instead of 'significant inputs that were not based on observable market data', aligning with IFRS 13. Certain IFRS 7 implementation guidance examples were clarified, noting they do not illustrate all requirements. IFRS 16 was amended to state that when a lessee extinguishes a lease liability per IFRS 9, they must recognize any resulting gain or loss in profit or loss, applicable to lease liabilities extinguished after the amendment's effective date. To resolve inconsistencies between IFRS 9 and IFRS 15, trade receivables must now be recognized at 'the amount determined by applying IFRS 15'. IFRS 10 was amended to use less conclusive language regarding 'de-facto agents', clarifying that the relationship in paragraph B74 is just one example requiring judgment. IAS 7 was corrected to remove references to the 'cost method' eliminated from IFRS in May 2008.

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026)

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include:



- clarifying the application of the 'own-use' requirements;
- relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027)

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes.

IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Company is assessing the impact of these new standards and accounting changes and does not consider that the amendments will have a significant impact on activity of the Company.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1. Conversion to foreign currency

Foreign currency transactions are converted into functional currency at exchange rates valid on the date of transactions. Gains and losses on exchange differences resulting from the conclusion of these transactions and the conversion of monetary assets and liabilities denominated in foreign currency using year-end exchange rates are shown in the profit and loss account.

The exchange rates for the most important currencies were:

	<u>31 December 2024</u>	<u>31 December 2023</u>
EUR	4.9741	4.9746
USD	4.7768	4.4958

4.2. Recognition of interest income and interest expense

Interest income and interest expense are recorded in the profit and loss account for all instruments measured at amortised cost using the effective interest method.

Interest income includes income from credit contracts and similar operations as well as interest on loan agreements and is recognised in the profit or loss statement over the term of the contract, reflecting a periodic constant return on the remaining net investment from credit receivables and similar operations and loan contracts, calculated using the effective interest rate method.

Interest expense shown in the profit or loss statement relates to financial liabilities measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over a relevant period of time. The effective interest rate is the exact rate that discounts the estimated future flows of cash payable or receivable over the life of the financial instrument, or, where appropriate, for a shorter period, to the net reported value of the financial asset or liability.

When determining the effective interest rate for financial instruments, the Company estimates future cash flows considering the contractual conditions of financial instruments. The calculation of the effective interest rate shall include transaction costs, commissions paid or received which form an integral part of the effective interest rate. Transaction costs include incremental costs that can be directly attributed to the acquisition or issuance of a financial asset or financial liability.

4.3. Financial instruments

a) Initial recognition of financial assets

Loans and advances to clients recognised when funds are transferred to client accounts. Other financial assets are recognised on the date on which the Company enters into the contract generating the financial instruments.

The classification of financial assets at their initial recognition depends on the contractual terms and the business model for managing these instruments, as described in accounting policies. Financial instruments are initially measured at their fair value and, with the exception of financial assets and financial liabilities recorded at fair value through profit or loss ("FVPL"), transaction costs are added to or subtracted from that amount. Other receivables are valued at the transaction price.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers. Transaction costs do not include financing costs or internal administrative or holding costs.

b) Classification of financial assets

The company measures financial assets at amortised cost only if both of the following conditions are met:

- it is held within the framework of a business model the objective of which is achieved by holding assets and collecting contractual cash flows, and
- its contractual conditions give rise, on specified dates, to cash flows representing exclusively payments of principal and interest ('SPPI').

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income are not presented separately and are included in the carrying values of related items in the statement of financial position.

Reclassification of financial assets

The company does not reclassify financial assets after initial recognition. Change in classification can occur only if there is a change in the business model.

c) Derecognition of financial assets

Derecognition due to substantial changes in terms and conditions

The company derecognises the financial assets when the terms and conditions have been renegotiated to the extent that they become, substantially, a new loan or credit contract and similar operations, the difference being recognised as a gain or loss from derecognition, unless an impairment loss has already been recorded. Newly recognised financial assets are classified in Stage 1 for the purposes of the ECL, unless the new financial asset is deemed to be originated or impaired.

When valuing a financial asset in order for it to be derecognised or not, internally, the Company takes into account the following qualitative factors:

- Change of counterparty
- If the change is such that the instrument no longer meets the SPPI criterion
- If the legal obligations have been extinguished.

Moreover, in the case of loans and advances to customers, the Company specifically takes into account the purpose of the changes. It is assessed whether the change was introduced for commercial (business) reasons or for the purpose of credit restructuring. The management conducted an analysis of the changes made for business reasons and assessed that those changes resulted in substantial changes to the terms and conditions. This is in line with the objective of this change, which is to create a new asset with substantially different terms. If the number of DPD (past due days) of the

contract immediately before the change is less than 5 and the characteristics of the financial asset are substantially changed, that modification is considered to be obtained for commercial reasons and has the consequence of derecognition of the original credit receivables and similar operations/loan receivable.

Other changes to the terms of the agreement are treated as changes that do not lead to derecognition (see the section on Changes below).

Derecognition for reasons other than substantial changes

A receivable from loan with pledge contracts or credit receivables derecognised when the cash-flow rights relating to the financial asset have expired. The Company also derecognises the financial asset if the contractual rights have been transferred/assigned in order to receive cash flows from the financial asset.

d) Amendments

Sometimes, the Company intervenes rather with changes in the initial conditions regarding the loans/ credit and similar operations contracts, in response to the financial difficulties encountered by the borrower, does not repossess the collateral and does not require their collection. The Company considers a restructured credit and similar operations receivable /loan agreement when these changes are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed on them if the borrower's financial situation had been sound. Indicators of financial hardship include non-reimbursement or an increase in the number of days of delay before changes. Such changes may involve extending the payment modalities and agreeing on the new loan terms.

If the change does not result in substantially different cash flows, as shown above, the asset will not be derecognised. Based on changes in discounted cash flows to the initial effective interest rate (EIR), the company records a gain or loss in the interest/expense income calculated according to the effective interest method.

4.4. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at the initial recognition stage, as financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans, loans and liabilities, less directly attributable transaction costs. Entity's financial liabilities include trade and other liabilities, bank and other borrowings.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification.

The company has not designated any financial liability measured at fair value through profit or loss.

All financial liabilities from the statement of financial position are evaluated at AC.

c) Modification of financial liabilities

In the case of financial liabilities, the Company considers a change as material based on qualitative factors and whether it results in a difference between the present value and the initial carrying amount of the financial liability equal to or greater than ten percent. If the change is significant, then at derecognition there is a gain or loss of derecognition. If the change does not generate substantially different cash flows, the change does not result in derecognition. Based on the change in cash flows discounted at the initial effective interest rate, the Company records a change in the form of a gain or loss.

d) Addressing insignificant changes

If the cash flow estimates for fixed-rate financial liabilities are revised, then changes to future contractual cash flows are updated at the original effective interest rate with an appropriate adjustment to the carrying amount. The difference from the previous carrying amount is recorded as a positive or negative adjustment to the carrying amount of the financial liability in the statement of financial position with a corresponding increase or decrease in interest income / expense calculated using the effective interest method.

e) Derecognition

A financial liability is derecognised when the obligation relating to the debt is paid, cancelled or expires. When an existing financial liability is replaced by another from the same creditor, in substantially different terms, or the conditions of an existing liability are significantly altered, such exchange or modification shall be treated as the derecognition of the original debt and the recognition of a new debt. The difference between those carrying amounts is recognised in the statement of comprehensive income.

4.5. ACCOUNTING ESTIMATES AND JUDGEMENTS USED IN THE APPLICATION OF ACCOUNTING POLICIES

The company recognises adjustments for expected credit losses ("ECL") related to the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers.
- Other receivables (recharges);

Loans and advances to customers and Other receivables from recharges (together called "Loans and advances to customer") are classified for the collective calculation of ECL according to the number of days of delay for each of them and the presence of the related collateral (for pledged products). ECL is calculated on collective basis which is justified by homogeneous nature and shared credit risk characteristics of portfolios. ECL is calculated for each respective product separately. Within each segment portfolios further are segmented by DPD and other qualitative factors and all ECL model's elements are estimated for each delinquency bucket.

The Company makes estimates and assumptions that affect the amounts recognised in the financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are explained below.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 5. The following components have a major impact on credit loss allowance:

- segmentation of financial assets for the ECL assessment purposes;
- determination of a level of ECL assessment on a collective basis;
- definition of default applied by the Company;
- development and application of internal models used to estimate exposure at default ("EAD") for financial instruments
- criteria for assessing if there has been a significant increase in credit risk;
- selection of forward-looking macroeconomic scenarios and their probability weightings.

The Company applies certain estimates and adopts certain assumptions that affect the amounts at which assets and liabilities are incurred in the following financial year. Estimates and judgements are evaluated on an ongoing basis and are based on previous experience and other factors, including expectations of future events that are considered reasonable under the given conditions. In addition to previous experience, the Company has also taken into account the effects of current financial industry conditions and forward-looking information, including macroeconomic factors, in assessing these estimates and judgments.

In accordance with the requirements of IFRS 9 *Financial Instruments*, impairment of assets is classified into 3 stages:

- If the credit risk has not increased significantly, the impairment is equal to the expected loss resulting from possible default events over the next 12 months (stage 1);
- If the risk has increased significantly compared to the moment of origin, the depreciation is equal to the expected loss of the credit risk for the entire duration of the loan (lifetime) and the loan is classified as being in stage 2;
- If it is in default or impaired for other reasons, the impairment is equal to the expected loss of credit risk for the entire duration of the loan (lifetime), and the loan is considered stage 3.

In order to determine the impairments for credit risk, the Company's Management considers the incorporation of macroeconomic parameters, exercises its professional judgment and uses estimates and presumptions – see note 5 *Risk management*.

The Company always monitors all assets subject to impairment. To determine whether an instrument or portfolio of instruments is subject to 12-month ECLs or for the lifetime of the financial instrument ("LTECL"), Company assesses whether there has been a significant increase in credit risk since the initial recognition.



Under this approach, the Company determines whether the financial asset is in one of the following three stages to determine both the amount of ECL and how interest income should be recognised.

Stage 1: When loans and advance to customers are initially recognised, the Company recognises a 12-month ECL. The Company classifies current loan agreements and with up to 30 due days in Stage 1.

A healing period is applied for loans agreement before being reclassified from Stage 2 and Stage 3 back to Stage 1.

Transfer from Stage 2 to Stage 1

Exposure previously classified in Stage 2 and that currently meet the general DPD criteria mentioned above for Stage 1 in order to be classified in Stage 1, is transferred to Stage 1 only after a 2 month of healing period in Stage 2.

Transfer from Stage 3 to Stage 2 or Stage 1

For exposures previously classified in Stage 3 that currently meet the general DPD criteria mentioned above for Stage 1 it is determined to have two healing periods – one month period in Stage 3 before being transferred to Stage 2 and further two month of healing period before transfer of this exposure back to Stage 1.

The concept of the healing period does not apply to unsecured loans (i.e. those that present unavailable guarantees – lost or sold; "unsecured"). Exposures are no longer classified in Stage 1 if they no longer meet the above criteria.

Stage 2:

The Company measures the ECL for a financial asset at an amount equal to the expected lifetime credit losses if the credit risk of that financial asset, has increased significantly from the time of initial recognition. If at the reporting date, the credit risk did not significantly increased compared to the initial recognition, the Company measures the credit losses for a financial instrument, i.e. net investment in credit and similar operations receivables /pledge loan at an amount equal to the expected credit losses over a period of 12 months from the reporting date. Accordingly, the Company should be able to measure and assess a significant increase in credit risk by comparing the default risk on the "date of initial recognition" with the risk of default on the "reporting date".

When a loan contract has shown a significant increase in credit risk since initial recognition, the Company records a provision over the entire contractual period of the instrument ("LTECL").

Stage 3:

At each reporting date, the Company assesses whether the financial assets recorded at amortised cost are impaired. A financial asset is impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is impaired shall include the following observable data:

- significant financial difficulty of the debtor. This would be the case when debt collection processes undertaken by the Company indicate of unwillingness for the customer to cooperate. Generally, the workstream commands field visits of repossession team from DPD 35, but the intention is to usually persuade the customer to continue the cooperation under the existing agreement. In cases where repossession specialists conclude that workout is not possible the agreement will be terminated before the 60 DPD days;
- all contracts with DPD greater than 60 days.

Presentation of adjustments for expected credit losses in the statement of financial position

Adjustments for ECL are presented in the statement of financial position for financial assets measured at amortised cost: as a deduction from the gross carrying amount of assets.

5. FINANCIAL RISK MANAGEMENT

Within the Company, risk management is a systematic, continuous and rigorous process, which includes the processes of identification, analysis, planning, control and risk resolution, having as objective the carrying out of the business activity in conditions of efficiency and minimizing the possible negative effects that could affect the Company's activity.

The main risks associated with the Company's activity are of a financial and operational nature, resulting from the carrying out of financing activities in a microcredit system on the territory of Romania.

The significant risks monitored within the Company are credit risk, liquidity risk, market risk and operational risk. Market risk

includes currency risk and interest rate risk.

5.1. Credit risk

Credit risk is the risk that the Company will incur a financial loss if a client or partner in a transaction in financial instruments fails to fulfil its contractual obligations.

In accordance with the provisions of the internal lending regulations, the Company concludes loan agreements with individuals, so that the portfolio does not have significant exposures and is subject to collective analysis. For collective analysis, financial assets are grouped into groups (portfolios) that have similar characteristics of credit risk – the purpose of the pool is to meet the objective of recognising expected loss on lending over a lifetime when there are significant increases in credit risk.

For the purpose of assessing the expected loss, the Company groups the portfolios into risk classes (stage 1, stage 2, stage 3) – each class having a specific way of calculating the adjustment. For the purposes of the collective assessment of the impairment of credit exposures, are applied the principles for calculating the impairment adjustment as outlined in the specific internal regulations and measures the expected losses on the credit in relation to the distribution of credit exposures by stages.

5.1.1. Qualitative analysis of credit risk

Maximum exposure to credit risk

The table below shows the maximum exposure to the Credit Risk of the Company as of 31 December 2024 and 31 December 2023, without taking into account the guarantees held. For balance sheet assets, exposures are shown at net book value.

	31 December 2024	31 Decembet 2023
Cash and cash equivalents	9.216.445	557.694
Loans and advances granted to customers	223.236.016	166.954.774
Loans to related parties	38.940.185	5.909.061
Other assets (financial assets)	759.820	702.074
Total	272.152.466	174.634.394

The following tables provide information on the quality of financial assets measured at amortised cost from a credit risk perspective. Unless otherwise specified, for all the financial asset positions mentioned, the exposures in the tables below are presented at net carrying amount.

The classification categories for credit risk analysis are as follows:

- Current – not due
- Overdue up to 30 days
- Overdue from 31 to 60 days
- Overdue over 60 days

Classification based on above defined criteria is presented in the Note 15.

Expected credit risk measurement

Significant increase in credit risk

When determining whether the default risk of a financial instrument has increased significantly since initial recognition, the Company considers the information reasonable and justifiable, which is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the historical experience of the Company and on the evaluation of credit risk experts using a prospective manner of analysing the information available.

ECL measurement

The main relevant parameters for the measurement of ECL are the following:

- probability of default (PD);
- loss given default (LGD); and
- exposure in case of default (EAD).

The ECL for Stage 1 exposures shall be calculated by multiplying the 12-month PD by the LGD and EAD. The lifetime ECL is

calculated by multiplying the PD over the lifetime of the loan/ credit and similar operations agreement with LGD and EAD.

Probability of default (PD)

PD – probability of default is an estimate of the probability of default within the 12-month or lifetime period (the time horizon depends on the type ECL – 12mECL or LTECL). The default distribution vector (“DDV”) is the estimation of time to default, ensures the distribution of PD over a period of 12 months or over the lifetime.

The default probability is an estimate of the possibility of default in a certain period of time, defined as 61 DPD or contract termination.

To estimate PD, the Company uses the Markov chain methodology, which involves a statistical analysis of historical transitions between delinquent receivables to estimate the likelihood that the loan/ credit and similar operations contract receivable will eventually end up in default.

The company uses a continuous transitional period of 12 months (or less if the actual lifetime of the product is shorter or if representative historical data are available for a shorter period) and the lifetime estimate has been defined as the “n” of the 12-month matrix power (it depends on the estimated service life, for example, if the service life is 36 months, then $n = 3$). Exposures are grouped into groups according to (DPD) the days due on loan contracts.

The calculations are applied at the level of portfolios (i.e. the credit and similar operations contract portfolio and the loan portfolio).

Model of forward-looking macroeconomic indicators for the assessment of portfolio depreciation

In accordance with IFRS 9, the Company assesses the forward-looking information and incorporates it in its impairment model. Changes in the ECL model are calculated in view of expected future changes in macroeconomic factors (macro model). In 2021 Hierarchical Bayes model approach was changed to simplified approached based on relation analysis between changes in input variables and changes in PD and the expert’s opinion. Macro model uses expected changes in macroeconomic indicators and assumes the same or similar change to Stage 1 PD.

For each macro indicator three scenarios are obtained – base, best and worse. Base scenario is based on actual data and forecasts. Worse and best scenario is obtained from base scenario increasing or decreasing base scenario by confidence interval of given historical macro indicators. For each scenario is applied probability of occurring. The impact on PD from each macro indicator is calculated as weighted output across all three scenarios. As for all input macro indicators are applied weights according to their significance to the default rates of the Company customers then the final model output is obtained as sum of weighted output across all macro indicators.

The model includes indicators which, based on the Company experts’ opinion and used practice in industry, might have a significant impact on finance products default rates. Such indicators are also widely used by banking and non-banking industry across the world.

The following indicators are used:

1. GDP (GDP) growth;
2. Change in the unemployment rate (UR);
3. Change in the inflation rate (IR).

To take into account possible economic fluctuations and uncertainty, three scenarios are considered and used for final calculation to arrive at weighted average probability:

1. base case scenario - based on actual data and forecasts by external source.
2. worst case scenario - based on expert judgement of potential worsening of macroeconomic indicators.
3. best case scenario - based on expert judgement of potential improvement of macroeconomic indicators.

Worse and best scenario is obtained from base scenario increasing or decreasing base scenario by confidence interval of given historical macro indicators. Confidence intervals are calculated based on last 24 or more macro indicator data points applying confidence level of 99%.

Each scenario also has a specific probability of achievement, which is configurable to take into account potential differences in the macroeconomic outlook. The Company applies at least 15% probability for worst-case scenario and only 5% for best-case.

The figures below show the scenarios and weights applied to each macro indicator and the actual and estimated values for each indicator as of 31 December 2024.



Macro indicator	Scenario	Weights of scenario	Actual 2024	Assumption 2025
unemployment	worst	15%	5.2%	5.6%
	base	80%	5.2%	5.4%
	best	5%	5.2%	5.3%
inflation	worst	15%	4.8%	5.3%
	base	80%	4.8%	4.0%
	best	5%	4.8%	2.7%
GDP growth rate	worst	15%	2.0%	1.7%
	base	80%	2.0%	2.9%
	best	5%	2.0%	4.0%

The figures below show the scenarios and weights applied to each macro indicator and the actual and estimated values for each indicator as of 31 December 2023.

Macro indicator	Scenario	Weights of scenario	Actual 2023	Assumption 2024
unemployment	worst	15%	5.4%	5.6%
	base	80%	5.4%	5.4%
	best	5%	5.4%	5.3%
inflation	worst	15%	6.4%	8.4%
	base	80%	6.4%	5.4%
	best	5%	6.4%	2.4%
GDP growth rate	worst	15%	2.5%	-4.4%
	base	80%	2.5%	2.6%
	best	5%	2.5%	9.6%

All input variables are weighted according to their significance at the default rates of the Company's clients. To obtain final effect on PD from macro indicator change, applied weights for each macro indicator and the final result is taken as a weighted average of macro indicator PD effect.

The weights allocated to each macroeconomic indicator for 2024 and each relevant forecast year, are as follows:

Indicator	2024	2025
Unemployment rate	47.5%	47.5%
Inflation rate	47.5%	47.5%
GDP index	5%	5%

The weights allocated to each macroeconomic indicator for 2023 and each relevant forecast year, are as follows:

Indicator	2023	2024
Unemployment rate	47.5%	47.5%
Inflation rate	47.5%	47.5%
GDP index	5%	5%

The result of the macro model is then applied to the PD parameters for each monthly closing starting December 2021.

For the year 2024, given the fact that were recorded no significant economic fluctuations with impact in the macro model used by the Company, it was decided to maintain the macro delta indicator at the level of the 2nd quarter of 2022 - 102%. At the same time, the Company monitors the evolution of macroeconomic indicators, in order to incorporate possible economic fluctuations and uncertainty in the macro model used, so that the delta macro indicator is updated, if necessary, once a quarter.



A 10% increase or decrease in PD estimates would result in an increase or decrease in total expected credit loss allowances of RON 1.002.254 at 31 December 2024 (31 December 2023: increase or decrease of RON 921 066). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of RON 3.468.544 or RON 3.500.408 respectively, at 31 December 2024 (31 December 2023: increase or decrease of RON 2.359.737 or RON 2.385.158 respectively).

Loss in the event of default

LGD is the likely loss in the event of default. The Company estimates LGD parameters based on the history of debt collection rates against the counterparties involved. LGD models take into account the structure, guarantees and recovery costs of any collateral that are an integral part of the financial asset. They are calculated on the basis of cash flows using the effective interest rate as a discount factor.

The Company closely tracks recoveries from receivables from credit and similar operations contracts and unpaid loans and revises LGD rates each month for portfolios based on actual recoveries received.

The sample used to calculate LGD consists of all receivables from credit and similar operations contracts and loan receivables that were in historical default. If the termination of the contract happens before the state of non-payment is reached, then the loan is considered unpaid (unpaid in advance) and is included in the LGD sample. Subsequent recoveries on such receivables from loans and advances are monitored on a monthly basis. They are followed by recoveries from the regular collection process, car sales, assignments and the court process.

The restructured credit and similar operations contract (restored payment capacity after termination) also affects the LGD rate, by incorporating the cash recovered after the renewal of the agreement and comparing it with the exposure to default of the subsequent renewed agreements, involving the healing rate. The healing rate from renewals shall be calculated over a period of three years or less if there is not enough historical data.

The LGD rate described above is used for all groups in the portfolio except for the unsecured portfolio. For the unsecured portfolio, LGD is estimated using the triangular recovery matrix. The recovery received shall be updated at an effective interest rate based on the number of months between the date on which the account acquires unsecured status and the date on which the recovery was received. Given that most car sales take place before receiving unsecured status, LGD for the unsecured portfolio is significantly higher than for other portfolio groups.

Exposure at Default (EAD)

EAD is the expected exposure in case of default. In the Company's proceedings, the EAD derives from the counterparty's current exposure and the potential changes in this exposure allowed under the contract and arising from impairment.

Exposure to default is modelled by adjusting the unpaid balance of loans and advances to clients at the reporting date with expected future repayments over the next 12 months. At 31 December 2024 and 31 December 2023 it is only applied to Stage 1 exposures. This is done on the basis of the contractual repayment schedules, adjusted for the observed prepayment rate. Historical prepayment models are considered to be a reliable estimate for future prepayment activity.

5.2. Market risk

The Company exposes itself to market risks, which represent the risk that the fair value or future cash inflows of a financial instrument will fluctuate as a result of changes in market prices. Market risks result from open interest rate and exchange rate positions, all of which are exposed to general and specific market movements and changes in the level of volatility in market rates or prices, such as interest rates, credit spread and exchange rates.

Interest rate risk

The sensitivity of assets and liabilities to the change of interest – analysis of the change of interest rates

Interest rate risk regarding cash flows is the risk at which the future cash flows of a financial instrument will fluctuate due to changes in the market interest rate. Fair value interest rate risk is the risk at which the value of a financial instrument will fluctuate due to changes in the market interest rate.

The Company's exposure to the risk of changes in market interest rates is mainly related to long-term obligations with variable interest rates. Loans are attracted to fund credit and similar operations/loan contracts. In general, the Company grants and



receives loans at a fixed interest rate (except ACP borrowing from current year), which allows minimizing interest rate risk.

The table below summarises the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

at 31 December 2024	On demand	Up to 1 year	1-5 years	Non interest bearing	Total
Assets					
Cash and cash equivalents	-	-	-	9.216.445	9.216.445
Loans and advances to customers	7.434.020	4.036.340	211.765.656	-	223.236.016
Loans to related parties	-	-	38.940.185	-	38.940.185
Trade receivables (other assets)	-	-	-	990.103	990.103
Total assets	7.434.020	4.036.340	250.705.841	10.206.548	272.382.749
Liabilities					
Borrowings	-	48.104.667	171.868.621	-	219.973.288
Liabilities relating to the right to use assets	-	18.427	2.778.520	-	2.796.947
Other liabilities	-	-	-	3.086.879	3.086.879
Total liabilities	-	48.123.094	174.647.141	3.086.879	225.857.114
Net interest sensitivity gap	7.434.020	(44.086.754)	76.058.700	7.119.669	46.525.635

at 31 December 2023	On demand	Up to 1 year	1-5 years	Non interest bearing	Total
Assets					
Cash and cash equivalents	-	-	-	557.694	557.694
Loans and advances to customers	3.816.501	4.502.598	158.635.674	-	166.954.774
Loans to related parties	-	-	5.909.061	-	5.909.061
Trade receivables (other assets)	-	-	-	1.041.204	1.041.204
Total assets	3.816.501	4.502.598	164.544.735	1.598.898	174.462.734
Liabilities					
Borrowings	-	-	161.340.115	-	161.340.115
Liabilities relating to the right to use assets	-	-	3.052.960	-	3.052.960
Other liabilities	-	-	-	4.027.352	4.027.352
Total liabilities	-	-	164.393.075	4.027.352	168.420.427
Net interest sensitivity gap	3.816.501	4.502.598	151.660	(2.428.454)	6.042.307

The sensitivity of net interest income to possible changes in interest rates applied at the end of the reporting period, while all other variables remain constant is shown in the table below:

	31 December 2024	31 December 2023
Increase interest rates by 5%	4.397.352	3.386.500
Decrease interest rates by 5%	-4.397.352	-3.386.500

Currency risk

The Company is subject to the risk of the effects of exchange rate fluctuations on its financial position and cash flows. The company manages the currency risk by continuously analyzing the financing needs and avoiding over-conversion transactions. The tables below show the Company's exposure to exchange rate risk as at December 31, 2024 and December 31, 2023.

The tables include the Assets and Liabilities of the Company at net carrying amounts, classified by currency.

**As of 31 December 2024**

Assets	RON	EUR	TOTAL
Cash and cash equivalents	7.926.278	1.290.167	9.216.445
Loans and advance to customers	223.236.016	-	223.236.016
Loans to related parties		38.940.185	38.940.185
Other financial assets	990.103	-	990.103
Total assets	232.152.397	40.230.352	272.382.749
	RON	EUR	TOTAL
Liabilities			
Borrowings	-	219.973.288	219.973.288
Liabilities related to the right of use assets	2.796.947	-	2.796.947
Other financial liabilities	1.874.271	1.212.604	3.086.875
Total liabilities	4.671.218	221.185.892	225.857.110
Net balance sheet position	227.481.179	(180.955.540)	46.525.639

As of 31 December 2023

Assets	RON	EUR	TOTAL
Cash and cash equivalents	13.325	544.369	557.694
Loans and advance to customers	166.954.774	-	166.954.774
Loans to related parties	-	5.909.061	5.909.061
Other financial assets	1.041.204	-	1.041.204
Total assets	168.009.303	6.453.430	174.462.733
Liabilities			
Borrowings	-	161.340.115	161.340.115
Liabilities related to the right of use assets	2.455.827	597.133	3.052.960
Other financial liabilities	3.058.129	969.223	4.027.352
Total liabilities	5.513.956	162.906.471	168.420.427
Net balance sheet position	162.495.347	(156.453.041)	6.042.306

The sensitivity of profit or loss to possible changes in exchange rates applied at the end of the reporting period in relation to the functional currency, provided that all other variables remain constant is shown in the table below:

	31 December 2024	31 December 2023
EUR exchange rate increase of 5%	(9.047.777)	(7.822.652)
EUR exchange rate decrease of 5%	9.047.777	7.822.652

5.3. Liquidity risk

Liquidity risk is associated either with an entity's difficulty in raising the funds necessary to meet its obligations or with the impossibility of the same entity to quickly sell a financial asset at a value close to its fair value.

Tracking and ensuring liquidity is one of the important concerns of the Company's management. The analysis of liquidity indicators is carried out on a monthly basis by ensuring optimal cash flow planning, taking into account the outstanding debts.

The table below shows the cash flows payable and receivable by the Company for its financial liabilities and assets based



on contractual maturity. The amounts of assets and liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross obligations (before deducting/adding future finance charges). Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows.



at 31 December 2024	Book value	Contractual cash flows				Total
		On demand	up to 1 year	1-5 years	more than 5 years	
Assets						
Cash and cash equivalents	9.216.445	9.216.445	-	-	-	9.216.445
Loans and advances to customers	223.236.016	-	133.935.880	322.383.401	-	456.319.281
Loans to related parties	38.940.185	-	3.331.731	41.757.152	-	45.088.883
Trade receivables (other assets)	990.103	-	990.103	-	-	990.103
Total assets	272.382.749	9.216.445	138.257.714	364.140.553	-	511.614.712
Liabilities						
Borrowings	219.973.288	-	32.991.186	309.300.232	-	342.291.418
Liabilities relating to the right to use assets	2.796.947	-	786.392	2.419.317	-	3.205.709
Other liabilities	3.086.879	-	3.086.875	-	-	3.086.875
Total liabilities	225.857.114	-	36.864.453	311.719.549	-	348.584.002
Net liquidity position	46.525.635	9.216.445	101.393.261	52.421.004	-	163.030.710

at 31 December 2023	Book value	Contractual cash flows				Total
		On demand	up to 1 year	1-5 years	more than 5 years	
Assets						
Cash and cash equivalents	557.694	557.694	-	-	-	557.694
Loans and advances to customers	166.954.774	-	112.292.365	237.708.610	-	350.000.975
Loans to related parties	5.909.061	-	6.573.388	4.775.248	-	11.348.636
Trade receivables (other assets)	1.041.204	-	1.041.204	-	-	1.041.204
Total assets	174.462.734	557.694	119.906.957	242.483.858	-	362.948.509
Liabilities						
Borrowings	161.340.115	-	63.709.214	164.967.343	-	228.676.557
Liabilities relating to the right to use assets	3.052.960	-	776.364	2.803.567	-	3.579.931
Other liabilities	4.027.352	-	4.027.352	-	-	4.027.352
Total liabilities	168.420.427	-	68.512.930	167.770.910	-	236.283.840
Net liquidity position	6.042.307	557.694	51.394.027	74.712.948	-	126.664.669

5.4. Fair values of financial assets and liabilities

Fair value is the price that would have been received to sell an asset or paid to transfer a liability in a regular transaction between participants at the measurement date. The determination of fair value is based on the presumption that the transaction to sell the asset or the transfer of the liability takes place either:

- on the principal market for the asset or liability, or
- in the absence of a main market, in the market most advantageous to the asset or liability.

The table below briefly shows the carrying amounts and fair values of those financial assets and liabilities that have not been presented at fair value in the Company's financial statements.

	Book value		Fair value		Fair value hierarchy
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	
Assets					
Cash and cash equivalents	9.216.445	557.694	9.216.445	557.694	2
Loans and advances granted to customers	223.236.016	166.954.774	277.365.525	227.589.274	3
Loans to related parties	38.940.185	5.909.061	36.400.931	5.439.575	3
Other assets (trade receivables)	990.103	1.041.204	990.103	1.041.204	3
Total assets	272.382.749	174.462.734	323.973.004	234.627.747	
Liabilities					
Borrowings	219.973.288	161.340.115	215.218.355	173.400.781	3
Lease liability	2.796.947	3.052.960	2.278.760	2.278.760	3
Other liabilities	3.086.879	4.027.352	3.086.875	6.433.763	3
Total liabilities	225.857.114	168.420.427	220.583.990	182.113.304	

All assets and liabilities, for which fair value is measured or presented in the financial statements, are categorised in the fair values hierarchy, as described as such, on the basis of the lowest level of value, which is material for measuring the overall fair value:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities,

Level 2 - Valuation techniques for which the lowest level can be observed directly or indirectly, which is significant for measuring fair value,

Level 3 – Valuation techniques for the lowest entry that is significant for measuring fair value is unnoticeable.

The company classified financial assets such as cash and cash equivalents on level 2 of the fair value hierarchy.

Instruments in Level 3 include receivables from loans and advance to customers, other financial assets and Advances to Customers, Borrowings, Lease liabilities and other financial liabilities.

(a) Receivables from credit and similar operations contracts and loans and advances to customers

Receivables from credit and similar operations contracts as well as loans to customers are presented as net amounts of expected credit losses. Their estimated fair value is the present value of future cash flows estimated to be received from active contracts. The expected cash flows are discounted using differentiated interest rates according to the type of product.

(b) Borrowings, liabilities relating to the right to use the assets

The Company estimated fair value is the present value of future cash flows estimated to be paid from borrowings. The expected cash outflows are discounted using discount rate appropriate for business activity based on type of operation.

5.5. Fiscal Risk

The Romanian tax legislation provides for detailed and complex rules that have undergone various changes in recent years. The interpretation of the text and practical procedures for implementing the tax legislation could vary and there is a risk that certain transactions, for example, may be interpreted differently by the tax authorities compared to the treatment of the Company. The Company's management considers that the tax liabilities included in these financial statements are correct.

The Romanian government has a number of agencies that are authorized to carry out audits of companies operating in



Romania. These audits are similar in nature to tax audits carried out by tax authorities in many other countries and can be extended, not only to tax matters, but also to other legal and regulatory issues that the applicable agency may be interested in. It is possible that the Company will continue to be subject to regular controls because new laws and regulations are issued. The Company's management considers that the Company will not be affected by significant losses in the event of a tax audit. However, the impact of the different interpretations by the tax authorities cannot be accurately estimated.

5.6. Operational risks

Operational risk refers to the risk of recording losses or non-realization of estimated profits, which can be determined by internal factors (inadequate conduct of internal activities, unprepared staff, inadequate systems, etc.), or by external factors (economic conditions, changes in the banking environment, technological advances etc.). Operational risk could come from sources such as the following:

- Use of information systems;
- Implementation of processes and procedures;
- Adequacy of human resources;
- Information security incidents;
- Fraud incidents;
- Outsourcing of services;
- Aspects of lack of compliance.

Operational risk management involves the following:

- Implementation of processes and procedures that take into account the business model;
- The processes are appropriate to the volume of activity;
- Processes are documented through procedures, and these include predetermined limits of competence;
- The activities are supported by a team of employees with relevant skills and experience;
- The IT systems used are adequate and controls are in place to ensure the traceability of the information processed and the quality of the data.

5.7. Capital management

The National Bank of Romania ("NBR") regulates and monitors the capital requirements of the Company.

The solvency ratio represents the ratio between own funds and risk-weighted exposure calculated according to the requirements of BNR Regulation 20/2009. The solvency ratio must be always at least 8%. Additionally, starting from August 2023, a new limit regarding exposure to a single debtor is applied, so according to the new requirements, this exposure cannot exceed 25% of own funds.

The liquidity ratio represents the ratio between actual liquidity and required liquidity calculated according to the provisions of BNR Regulation 20/2009.

The Company complies with the requirements regarding the solvency ratio, exposure to a single debtor, and liquidity ratio imposed by the BNR as of both December 31, 2024, and the date of signing these financial statements.

6. NET INTEREST INCOME

	2024	2023
<i>Interest income and other similar income</i>		
Interest income on loans and advances to customers	84.363.370	65.202.373
Interest income on loans granted to related parties	3.583.667	2.509.504
Interest income from bank accounts	-	18.123
TOTAL	87.947.037	67.730.000
<i>Interest expense and other similar charges</i>		
Interest expense on borrowings from unrelated parties	3.637.878	11.021.989
Interest expense related to the leasing liabilities	180.198	85.340
Interest expense related to loans from ACP	6.338.457	-
Interest expense on the subordinated borrowings from related parties	15.095.827	11.257.121
Interest expense related to credit institutions	140	-
TOTAL	25.252.500	22.364.450
Net interest income	62.694.537	45.365.550

7. NET FEE AND COMMISSIONS INCOME

	2024	2023
Fee income for early repayment	336.820	209.505
Fee from other commissions	16.379	9.402
Banks commissions	(134.526)	(102.623)
Net fee and commissions income	218.673	116.284

8. GAINS LESS LOSSES ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

During 2024 and 2023, the Company assigned financial assets valued at amortised cost and recorded the following financial result:

	2024	2023
Carrying amount of the financial assets derecognised	(4.234.640)	(6.071.392)
Income from derecognition of financial assets	4.473.437	6.492.825
Carrying amount of the written off financial assets	(115.014)	(80.842)
Total	123.783	340.591

All financial assets sold through cession or written off during the 2024 and 2023 had a high degree of credit risk and were in stage 3 at the time of the sale/write off occur.

9. OTHER OPERATING INCOME

	2024	2023
Revenue from the sale of recovered goods	1.816	42.980
Other income	198.503	110.325
Other operating income	200.319	153.305

**10. CREDIT LOSS ALLOWANCE**

	2024	2023
Impairment charge for loans and advance to customers at AC	(27.792.053)	(24.449.355)
Impairment release for loans and advance to customers at AC	6.001.356	4.907.799
Net impairment expense for other receivable	41.859	231.030
Total	(21.748.838)	(19.310.526)

11. PERSONNEL EXPENSES

	2024	2023
Allowances and salaries	(9.738.993)	(8.304.350)
Other personnel expenses	(109.273)	(28.556)
Expenses related to social contributions	(230.791)	(190.338)
Total personnel expenses	(10.079.057)	(8.523.244)

Staff costs: Wages, salaries, contributions to the state pension and social insurance funds, paid annual leave and sick leave, bonuses are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

12. OTHER OPERATING EXPENSES

	2024	2023
Penalties paid	(129.721)	(184.360)
Management Fee	(11.217.778)	(8.798.385)
Expenses relating to the provision for unused vacation	(73.469)	(49.623)
Recruitment and other personnel expenses	(103.716)	(102.701)
Postal expenses, rentals, utilities	(359.431)	(501.359)
Net gain/loss from fixed assets disposal	21.449	32.484
Communications and internet expenses	(356.154)	(361.979)
Expenses for maintenance of IT equipment, server hosting	(506.514)	(350.703)
Expenses related to car registration/deregistration	(93.172)	(85.026)
Non-deductible value added tax	(1.027.628)	(881.620)
Travel expenses	(89.939)	(90.322)
Expenses related to contribution to disability fund	(99.398)	(83.302)
Expenses with other taxes(ii)	(15.074.000)	-
Expenses related to professional services (i)	(787.583)	(582.343)
Insurance costs and vignettes	(22.958)	(9.370)
Advertising expenses	(1.115.821)	(642.783)
Distribution expenses	(78.921)	(75.894)
Expenses with provisions for other risks and expenses(ii)	(2.597.034)	-
Sponsorship expenses	(121.904)	-
Other expenses	(2.129.369)	(1.627.119)
Total Other operating expenses	(35.963.061)	(14.394.405)

- (i) The value of the expenses related to audit services, included in the line "Expenses related to professional services" during the 2024 was in amount of 196.550 lei (2023:168.437 lei). There were no non-audit services during the 2024 and 2023.
- (ii) As a result of fiscal control performed by the Regional General Directorate of Public Finance Bucharest, aimed at verifying the tax base for the period 2017-2022 the Company has the present obligation based on decision to make a settlement for a total amount of 15 million of lei as value added tax (VAT) to the state budget. This decision was contested by the Company in January 2025 as the Management of the Company considers that VAT regime applied was compliant with the applicable VAT regulations in Romania.

Additional to this, the Company recorded a provision for the VAT related to the period of 2023-2024, that is related to the same subject.

13. NET GAIN/(LOSS) FROM FOREIGN CURRENCY TRANSLATION

Net trading income is represented by the net gain/(loss) from exchange differences resulting from the conversion of assets and liabilities into foreign currency, as well as the net gain/(loss) on exchange rate differences resulting from transactions.

	2024	2023
Net gain or loss on the remeasurement of monetary assets and liabilities	145.326	(807.569)
Net result from foreign currency transactions	(581.054)	(80.558)
Currency losses	(435.728)	(888.127)

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include current accounts at Banks and deposits with original maturities of less than three months. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

For the statement of cash flows, cash and cash equivalents include cash in bank accounts, highly liquid financial assets with an original maturity of less than 3 months. The Company does not hold cash in the cashier.

Reconciliation of cash and cash equivalents with the statement of financial position:

	2024	2023
Current accounts at Banks in local currency	7.926.278	13.325
Current accounts at Banks in foreign currency	1.290.167	544.369
Total cash and cash equivalents	9.216.445	557.694
Cash and cash equivalents in statement of cash flows	9.216.445	557.694

The current accounts are at the free disposal of the Company and are not encumbered. As of 31 December 2024 and 31 December 2023, there is no cash which use is restricted.

The Company holds cash and cash equivalents as at 31 December 2024. The analysis of counterparties based on the rating of Fitch and Dun & Bradstreet is presented in the table below:

	31 December 2024	31 December 2023
BBB+ Fitch Rating	18.730	38.435
BB- Fitch Rating	9.192.323	8.591
5A1 D&B Rating	-	510.668
A+ Fitch Rating	5.392	
Total	9.216.445	557.694

The classification by stages of cash and cash equivalents and ECL at the reporting date is as follows:

	31 December 2024			
Cash and cash equivalents	Stage 1	Stage 2	Stage 3	TOTAL
Current accounts with banks and other financial institutions in foreign currency	1.290.167	-	-	1.290.167
Current accounts with banks and other financial institutions in RON	7.926.278	-	-	7.926.278
Expected credit losses	-	-	-	-
Net carrying amount	9.216.445	-	-	9.216.445

	31 December 2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Cash and cash equivalents				
Current accounts with banks and other financial institutions in foreign currency	544.369	-	-	544.369
Current accounts with banks and other financial institutions in RON	13.325	-	-	13.325
Expected credit losses	-	-	-	-
Net carrying amount	557.694	-	-	557.694

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The ECL for these balances represents an insignificant amount, therefore the Group did not recognise any credit loss allowance for cash and cash equivalents.

15. LOANS AND ADVANCE TO CUSTOMERS

The net book value of the categories of loans granted by the Company is presented below:

	31 December 2024			
	Stage 1	Stage 2	Stage 3	TOTAL
SECURED				
Gross exposure	203.352.554	13.095.562	35.272.692	251.720.808
Expected credit losses	(5.659.797)	(4.206.642)	(25.162.846)	(35.029.285)
Carrying amount	197.692.757	8.888.920	10.109.846	216.691.523
	31 December 2023			
	Stage 1	Stage 2	Stage 3	TOTAL
SECURED				
Gross exposure	156.711.381	13.075.571	21.430.702	191.217.654
Expected credit losses	(5.244.242)	(3.966.371)	(15.052.266)	(24.262.880)
Carrying amount	151.467.091	9.109.200	6.378.484	166.954.774
	31 December 2024			
	Stage 1	Stage 2	Stage 3	TOTAL
UNSECURED				
Gross exposure	6.668.415	32.204	-	6.700.619
Expected credit losses	(142.936)	(13.189)	-	(156.125)
Carrying amount	6.525.478	19.015	-	6.544.493
	31 December 2023			
	Stage 1	Stage 2	Stage 3	TOTAL
UNSECURED				
Gross exposure	-	-	-	-
Expected credit losses	-	-	-	-
Carrying amount	-	-	-	-

The following tables provide information about delays related to loans and advances at amortised cost allocated to the 3 stages:

	31 December 2024			
	Stage 1	Stage 2	Stage 3	TOTAL
SECURED				
Not due	186.454.083	2.768.214	203.173	189.425.470
Overdue 1-30 days	16.898.471	3.796.775	86.911	20.782.157
Overdue 31-60 days	-	6.530.573	91.649	6.622.222
Overdue >60 days	-	-	34.890.958	34.890.958
Expected credit losses	(5.659.797)	(4.206.642)	(25.162.846)	(35.029.285)
Carrying amount	197.692.757	8.888.920	10.109.846	216.691.522



SECURED	31 December 2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Not due	141,938,615	1,989,230	95,304	144,023,149
Overdue 1-30 days	14,772,766	3,816,934	258,320	18,848,020
Overdue 31-60 days	-	7,269,407	301,102	7,570,509
Overdue >60 days	-	-	20,775,976	20,775,976
Expected credit losses	(5,244.242)	(3,966.371)	(15,052.219)	(24,262.830)
Carrying amount	151.467.278	9.109.199	6.378.297	166.954.774

UNSECURED	31 December 2024			
	Stage 1	Stage 2	Stage 3	TOTAL
Not due	6.530.443	-	-	6.530.443
Overdue 1-30 days	137.972	-	-	137.972
Overdue 31-60 days	-	32.204	-	32.204
Overdue >60 days	-	-	-	-
Expected credit losses	(142.936)	(13.189)	-	(156.125)
Carrying amount	6.525.478	19.015	-	6.544.494

UNSECURED	31 December 2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Not due	-	-	-	-
Overdue 1-30 days	-	-	-	-
Overdue 31-60 days	-	-	-	-
Overdue >60 days	-	-	-	-
Expected credit losses	-	-	-	-
Carrying amount	-	-	-	-

Adjustments for expected credit losses

The following tables show the notes of movement of gross exposure in loans and advance to customers:

Gross book value on SECURED	Stage 1	Stage 2	Stage 3	Total
Balance on 1 January 2024	156.711.381	13.075.569	21.430.704	191.217.654
Transfer to Stage 1	2.697.531	(2.349.646)	(347.885)	-
Transfer to Stage 2	(7.470.544)	7.894.244	(423.700)	-
Transfer to Stage 3	(10.576.131)	(4.615.414)	15.191.545	-
New financial assets acquired	157.756.771	8.747.301	24.947.740	191.451.812
Receivables settled	(31.655.183)	(995.223)	(650.122)	(33.300.528)
Bad debts written off	(80.091)	(152.109)	(1.157.475)	(1.389.675)
Sold debts written off	(2.366.231)	(2.527.501)	(9.694.107)	(14.587.839)
Receivables partially settled	(61.731.290)	(5.981.660)	(14.024.010)	(81.736.960)
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2024	203.352.555	13.095.563	35.272.689	251.720.807

Balance on 1 January 2023	131.171.869	16.798.738	14.766.507	162.737.114
Transfer to Stage 1	4.193.297	(3.868.771)	(324.526)	-
Transfer to Stage 2	(7.247.098)	7.491.045	(243.947)	-
Transfer to Stage 3	(6.479.599)	(3.954.020)	10.433.619	-
New financial assets acquired	79.927.395	4.079.955	6.736.402	90.743.752
Receivables settled	(21.285.304)	(1.052.112)	(369.106)	(22.706.522)
Bad debts written off	(73.334)	(134.445)	(727.638)	(935.416)
Sold debts written off	(6.252.960)	(4.531.240)	(8.739.217)	(19.523.417)
Receivables partially settled	(17.242.885)	(1.753.581)	(101.391)	(19.097.857)
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2023	156.711.381	13.075.569	21.430.704	191.217.654



<i>Gross book value on UNSECURED</i>	Stage 1	Stage 2	Stage 3	Total
Balance on 1 January 2024	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New financial assets acquired	6.668.415	32.204	-	6.700.619
Receivables settled	-	-	-	-
Bad debts written off	-	-	-	-
Sold debts written off	-	-	-	-
Receivables partially settled	-	-	-	-
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2024	6.668.415	32.204	-	6.700.619
-				
Balance on 1 January 2023	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New financial assets acquired	-	-	-	-
Receivables settled	-	-	-	-
Bad debts written off	-	-	-	-
Sold debts written off	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2023	-	-	-	-

The following tables show the notes of movement of expected credit losses.

<i>Impairment losses on SECURED</i>	Stage 1	Stage 2	Stage 3	Total
Balance on 1 January 2024	5.244.290	3.966.371	14.640.920	23.851.581
Transfer to Stage 1	828.991	(646.114)	(182.877)	-
Transfer to Stage 2	(468.760)	685.117	(216.357)	-
Transfer to Stage 3	(658.137)	(1.430.889)	2.089.026	-
New financial assets acquired	4,535,052	2.888.846	17.737.929	25.161.827
Receivables settled	(925,866)	(256.395)	(403.710)	(1.585.971)
Bad debts written off	(61,469)	(145.458)	(1.067.663)	(1.274.590)
Sold debts written off	(1,671,939)	(1.777.728)	(6.903.566)	(10.353.2334)
Net remeasurement of loss allowance	(1,162,364)	922.892	(530.857)	(770.329)
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2024	5.659.798	4.206.642	25.162.845	35.029.285
Balance on 1 January 2023	3.434.624	4.722.531	9.699.856	17.857.011
Transfer to Stage 1	1.132.295	(976.669)	(155.626)	-
Transfer to Stage 2	(286.088)	403.851	(117.763)	-
Transfer to Stage 3	(355.042)	(1.131.513)	1.486.555	-
New financial assets acquired	2.738.615	1.394.229	4.842.482	8.975.326
Receivables settled	(457.919)	(243.958)	(251.291)	(953.168)
Bad debts written off	(100.125)	(125.910)	(628.540)	(854.575)
Sold debts written off	(4.266.319)	(3.037.756)	(6.134.846)	(13.438.921)
Net remeasurement of loss allowance	3.404.249	2.961.566	6.311.392	12.677.207
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2023	5.244.290	3.966.371	15.052.219	24.262.880



<i>Impairment losses on UNSECURED</i>	Stage 1	Stage 2	Stage 3	Total
Balance on 1 January 2024	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	142.936	13.189	-	156.125
New financial assets acquired	-	-	-	-
Receivables settled	-	-	-	-
Bad debts written off	-	-	-	-
Sold debts written off	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2024	142.936	13.189	-	156.125
Balance on 1 January 2023	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New financial assets acquired	-	-	-	-
Receivables settled	-	-	-	-
Bad debts written off	-	-	-	-
Sold debts written off	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-
Foreign exchange movements	-	-	-	-
Balance as at 31 December 2023	-	-	-	-

Guarantees relating to receivables from credit and similar operations contracts and loan receivable

The Company holds guarantees relating to financial assets at amortised cost in the form of the financed goods, which are objects of contracts, over which the Company holds the ownership right until the end of the contract. For secured loans and advance receivables, the Company holds guarantees in the form of a pledge without dispossession representing the financed assets. According to the policy collateral is not applicable for unsecured portfolio where there is no need to have collateral in the moment of granting a loans.

Collaterals are represented by the vehicles for all types of financed agreements. There are no any other type of collateral. This type of collateral are considered by the Management as highly liquid.

The guarantees related to secured loans and advances as at 31 December 2024 are presented in the table below:

	SECURED Loans and advances
Carrying amount	216.691.523
Stage 1	91.338.314
Stage 2	8.830.098
Stage 3	2.993.080
Total guarantees	103.161.493

The guarantees related to to secured loans and advances as at 31 December 2023 are presented in the table below:

	SECURED Loans and advances
Carrying amount	166.954.774
Stage 1	154.293.833
Stage 2	14.792.014
Stage 3	5.898.806
Total guarantees	174.984.654

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Below is presented the information about the leases for which the Company is the lessee.

a) Right of use of assets

The right to use the assets refers to the space rented for the activity of the branches, the head office, as well as for the rented vehicles and are presented within property, plant and equipment (see note 18).

The Company leases office and vehicles. Rental contracts are typically made for fixed periods of 6 months to 6 years, but may have extension options.

All leases are recognised as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Company.

The right of use assets by class of underlying items is analysed as follows:

Rented space for branches and head office	31 December 2024	31 December 2023
Balance on 1 January	2.432.805	684.062
Additions		2.661.082
Other movements	247.124	
Depreciation charge for the year	(493.100)	(477.633)
Disposals		(1.606.082)
Accumulate depreciation for disposed items		1.171.376
Balance at 31 December	2.186.827	2.432.805

Vehicles used in the operational activity		
Balance on 1 January	603.612	888.086
Additions	596.382	76.709
Depreciation charge for the year	(247.130)	(260.688)
Disposals	(977.195)	(215.419)
Accumulate depreciation for disposed items	543.342	114.924
Balance at 31 December	519.011	603.612

b) Lease liability

	31 December 2024	31 December 2023
Liabilities relating to the right to use the premises	(2.269.837)	(2.432.419)
Liabilities relating to the right to use vehicles	(527.110)	(620.541)
	(2.796.947)	(3.052.960)

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recognised at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments
- variable lease payment that are based on an index or a rate



The lease payments are discounted using the interest rate implicit in the lease or incremental borrowing rate. In general, the Company uses its incremental borrowing rate as its discount rate. The company determines its incremental interest rate by analysing its loans from various external sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received.

c) Amounts recognised in the profit and loss account

	2024	2023
Leases under IFRS16		
Interest expense on leasing liabilities	(180.198)	(85.339)
Depreciation expense	(740.230)	(740.744)
	(920.428)	(826.083)

17. OTHER ASSETS

	31 December 2024	31 December 2023
Receivables relating to re-invoiced services	497.990	709.182
Impairment losses on re-invoiced receivables	(275.294)	(385.166)
Advances granted	-	1.377
Other receivables from state	168.696	171.661
Other financial assets(i)	722.454	608.382
Prepaid expenses	231.688	729.865
Other non-financial assets	98.921	203.846
Other assets	1.444.455	2.039.147

- (i) Other financial assets include receivables from payment operators in the amount of 571.733 lei (2023: 454.212 lei), guarantees paid to lessors under lease contracts – 150.781 lei (2023: 150.781 lei), and others.

Receivables relating to re-invoiced services are measured at cost less impairment losses, determined in accordance with the same methodology of expected credit losses ("ECL") for loan agreements. Please see below the movements in impairment for the 2024 and 2023 related to the impairment loss of re-invoiced receivables.

	31 December 2024	31 December 2023
Impairment losses for re-invoiced receivables		
Balance on 01 January	385.166	765.875
Net charge/(release) of the provision	(109.872)	(380.709)
Balance at 31 December	275.294	385.166

18. PROPERTY, PLANT AND EQUIPMENT

Buildings, office equipment and other equipment are measured at cost less the accumulated depreciation and impairment. Repair and maintenance expenses are recorded in the profit and loss account at the time they occurred. The cost of replacing the major parts or components of buildings and equipment is capitalized and the replaced part is scrapped.

Gains and losses on the sale of fixed assets is determined by reference to their book value at the time of sale and is recognised in profit and loss.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lifetime of each item in the category of property, plant and equipment and is recognised in the statement of profit and loss and other comprehensive income. Leased assets are depreciated for the shortest period between the lease term and the useful life of underlying asset.

Useful life period (years)

Computers	3
Furniture	5
Rights of use assets	over the lease period
Improvements to leased assets	over the lease period
Other equipment	2

	IT equipment and furniture	Assets improvements	Rights of use of assets	Other property, plant and equipment	Total
As at 31 December 2024					
Net book value 1 January 2024	228.250	541.714	3.036.417	630	3.807.011
Additions	29.398	130.731	596.382	-	756.511
Other movements	-	(283.233)	247.224	-	(36.009)
Disposals	(72.011)	-	(977.195)	-	(1.049.206)
Transfers	-	-	-	-	-
Depreciation charges	(103.868)	(78.197)	(740.330)	(630)	(923.025)
Accumulated depreciation for disposed items	72.011	-	543.342	-	615.353
Net book value 31 December 2024	153.780	311.015	2.705.840	-	3.170.635
Year ended 31 December 2023					
Net book value 1 January 2023	128.572	3.391	1.572.151	2.545	1.706.659
Additions	186.643	544.425	2.737.791	-	3.468.859
Disposals	(11.916)	-	(1.821.503)	-	(1.833.419)
Transfers	-	-	-	-	-
Depreciation charges	(83.160)	(6.102)	(738.322)	(1.915)	(829.499)
Accumulated depreciation for disposed items	8.111	-	1.286.300	-	1.294.411
Net book value 31 December 2023	228.250	541.714	3.036.417	630	3.807.011

19. INCOME TAX*19.1. Current corporate income tax*

The income tax for the year comprises the current tax and the deferred tax. Income tax is recognised in the profit and loss account.

The current tax reflects the tax payable on taxable income for the period, based on applicable percentages at the balance sheet date and adjustments from prior periods. The company recognizes taxable income per statutory financial statements in line with Romanian accounting regulations and corporate income tax legislation, which follows a tax year ending 31 December. Upon closing the fiscal year, the Company calculates the annual corporate income tax according to the prevailing Romanian corporate income tax laws.

	2024	2023
Current income tax expense	(604.364)	(1.509.345)
Deferred tax (expense)/income	415.805	(167.363)
Total income tax expense	(188.559)	(1.676.708)

A reconciliation between the actual corporate tax expense and the theoretical tax rate is shown below:

Gain/(loss) before tax	(5.994.622)	2.011.970
------------------------	-------------	-----------



Theoretical profit tax calculated at the rate of 16% (2023: 16%)	(959.140)	321.915
Permanent and temporary differences adjustments to the previous year	1.147.699	1.354.793
Income tax expense for the year	188.559	1.676.708

The current tax is calculated by applying a rate of 16% (2023: 16%).

19.2. Deferred tax

Deferred income tax is determined using the balance sheet method for those temporary differences that arise between the tax base for calculating the tax on assets and liabilities and the carrying amount determined for the purpose of financial reporting. Deferred income tax is determined using the tax rates (and legislation) in force or that have been substantially implemented up to the reporting date and that are estimated to be applied when the deferred income tax asset to be recovered is redeemed or the deferred tax obligation is settled.

The main temporary differences result from the difference in accounting and tax treatment related to the depreciation calculation, as well as from the difference in treatment specific to the provisions constituted for the depreciation of receivables and loan agreements.

Deferred tax assets and liabilities are netted off if certain criteria are met.

The tax effect of the movements in these temporary differences for the period ended at 31 December 2024 and 31 December 2023 is detailed below.

	31 December 2024	Tax recognised in Profit or Loss	1 January 2024
Tax effects of deductible temporary differences			
Temporary difference from accrual bonuses	90.183	17.670	72.513
Temporary differences from provision from other risks and charges	355.143	355.143	-
Other temporary differences	383.152	42.993	340.058
	828.378	415.807	412.572

	31 December 2023	Tax recognised in Profit or Loss	1 January 2023
Tax effects of deductible temporary differences			
Impairment adjustment for receivables from credit and similar operations contracts and loans	-	(1.196.381)	1.196.381
Adjustment for operating leases	-	(7.771)	7.771
Adjustment for the application of effective interest	-	773.909	(773.909)
Adjustment for customer receivables for re-invoiced services	-	(143.957)	143.957
Temporary difference from accrual bonuses	72.514	22.026	50.488
Other differences	340.058	384.810	(44.752)
	412.572	(167.364)	579.936

In 2024, as a result of transitioning to International Financial Reporting Standards (IFRS) as the legal reporting framework, all temporary differences recognized due to differences in tax and financial treatment applicable until the transition to IFRS were reversed.

Other differences in 2024 include temporary differences generated by provisions created for expected losses from trade receivables from re-invoicing and provisions for other current expenses.



20. BORROWINGS

Borrowings are initially recognised at net fair value, net of transaction costs incurred. The borrowings are subsequently recorded at amortised cost, any difference between the amount initially recorded and the repurchase value is recognised in the profit and loss account for the term of the borrowing agreement based on the effective interest method.

Subordinated debt ranks after all other creditors in the case of liquidation. Subordinated debt is carried at amortised cost.

	31 December 2024	31 December 2023
Subordinated borrowings	(135.513.277)	(104.266.846)
Borrowings from other financial institutions	(84.460.011)	(57.073.269)
	(219.973.288)	(161.340.115)

	31 December 2024	31 December 2023
Borrowings from:		
Eleving Stella AS	(135.513.277)	(150.857.984)
Mintos Finance AS	(36.355.344)	(10.482.131)
ACP CREDIT GP SARL	(48.104.667)	-
	(219.973.288)	(161.340.115)

The loans received from Eleving Stella AS include subordinated loans with a fixed interest rate of 12.25% (2023: 12.25%) and maturity between 2029 and 2030.

Loan in the form of a financing line totalling 15 million EUR (drawn at December 2023 amount of 9,350 million EUR) was repaid in January 2024.

The loans raised from Mintos Finance AS (P2P loans) are in the form of a financing line, with a fixed interest rate ranging from 6% to 13% and maturing in September 2026.

In December 2023, the Company signed a new credit facility of 10 million EUR with ACP CREDIT I SCA SICAV-RAIF, maturing in 5 years from the date of the first drawdown and with a variable interest rate. The loan was fully disbursed in January 2024.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES AND KEY MANAGEMENT PERSONNEL

As defined in IAS 24 "Disclosure of Related Entities", the Company identified the following related entities both in the current and prior periods: Eleving group entities, members of the Board of Directors, management of the Company as well as close members of their families. In the table below are presented balances and transactions with related parties for the year ended at 31 December 2024 and 31 December 2023.

	2024			2023		
	Management	Shareholders	Other group entities	Management	Shareholders	Other group entities
Assets						
Loans granted	-	-	38.940.185	-	-	5.909.061
Liabilities						
Borrowings	-	135.513.277	-	-	150.857.984	-
Trade payables	-	1.164.584	-	-	951.739	-
Profit and loss						
Interest income	-	-	3.583.667	-	-	2.509.504
Interest expense	-	15.095.827	-	-	11.257.121	-
Management fee	-	9.459.540	-	-	7.510.188	-
Other invoiced costs	-	512.959	-	-	49.708	-
Management remuneration	1.455.340	-	-	1.024.442	-	-



Related parties to the Company are the shareholders of the company and the companies in the Eleving Group. During 2024, the Company concluded a series of transactions with related parties, related to the receipt and granting of inter-group loans, management services and other recharged costs.

All these transactions, including contractual interest rates and guarantee conditions, were carried out under competitive conditions, similar to transactions with third parties.

22. PROVISIONS AND CONTINGENT ASSETS/LIABILITIES

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent assets are potential assets that arise from past events, confirmed only by uncertain future events beyond the Company's control. They are not recognized in the financial position statement but disclosed in the notes if it is probable that future economic benefits will accrue. When the realization of income is virtually certain, the contingent asset is recognized in the balance sheet. These assets are reviewed at each balance sheet date to assess any changes in circumstances that may necessitate recognition. If economic benefits become certain, the asset and related income are recognized in the financial statements for the period of change.

Contingent liabilities represent possible obligations from past events, confirmed by future events not fully controlled by the Company, or present obligations not recognized due to uncertainty in resource requirements or measurement reliability. They are continuously assessed to determine the likelihood of resource outflow. If an outflow becomes likely for a previously recognized contingent liability, a provision is recorded in the financial statements for the period of change, unless a reliable estimate cannot be made, in which case the contingent liability is disclosed.

On October 18, 2021, Eleving Group S.A. (renamed from Mogo Finance S.A.), as issuer, on the one hand, and its subsidiaries as guarantors, on the other hand, signed a guaranteed agreement. In accordance with this agreement, guarantees unconditionally and irrevocably guarantee to each bondholder Eleving Group S.A., by means of an independent payment obligation, the timely payment of the principal and interest due and any other amounts payable under the bond prospectus of Eleving Group S.A.

The total value of the bonds guaranteed by the Company and the others companies in the Group is EUR 150,000,000. The bonds are due on 18 October 2026, with an interest rate of 9.5% annually and have a rating of B according to Fitch Ratings.

Under the guarantee agreement Mogo IFN SA, amongst other material group entities, irrevocably guarantees the payment of Eleving Group liabilities towards its bondholders in case of default of Eleving Group, under the provisions of bond prospectus. However considering that the bonds are primarily secured by multiple share, asset and bank account pledges granted by several other material group entities, the Company has revaluated the fair value of this guarantee by assessing the value of all unencumbered assets of each material group entity guaranteeing the payment of Eleving Group liabilities towards its bondholders, as well as the potential liability exposure of each guarantor under the bonds, and considers that the fair value of this financial guarantee is insignificant. As a result, Company does not have any provisions recognised in respect of the granted guaranty.

23. OTHER LIABILITIES

	31 December 2024	31 December 2023
Payables to employees	(136.558)	(59.601)
Payables to social contributions and payroll taxes	(396.851)	(346.219)
Other taxes	(146.718)	(97.664)
VAT payable(i)	(15.294.968)	(149.419)
Trade payables	(137.960)	(1.431.800)
Other liabilities	(29.281)	(89.741)
Provision for untaken leaves	(343.718)	(270.249)
Accrual for management fee	(1.164.584)	(951.739)



Accrual for bonuses	(563.646)	(453.207)
Overpayments	(1.049.553)	(1.001.067)
VAT provisions(i)	(2.597.034)	-
Other provisions	(1.112.487)	(493.871)
	(22.973.358)	(5.344.577)

- i) VAT liabilities and provision arise from the event detailed in note 12 "Other operating expenses". The amount of the provision arises from management's best estimate of VAT and related penalties that would result from a similar interpretation by the tax authorities for the period 2023-2024.

24. SHARE CAPITAL

The share capital is equal to the nominal value of the shares, respectively to the amount of the contribution to the capital, the share premiums and reserves incorporated or other elements of operations that lead to its modification.

Legal reserves are established in accordance with the legal requirements in force, by allocating a minimum of 5% of the Company's net profit, until the reserve fund reaches 20% of the entire subscribed and paid share capital. This reserve may not be distributed to shareholders. The allocation to the legal reserve is deductible when calculating the current corporate income tax, up to a maximum of 5% of the net profit adjusted for corporate income tax expenses.

In accordance with the fiscal legislation, when there is a change in the destination of the legal reserve or reserves representing tax incentives, the corporate income tax, interest and penalties will be calculated starting with the moment when the tax benefits were granted to the Company.

	31 December 2024	31 December 2023
Shareholding structure		
UAB Eleving Stella	88	88
AS Eleving Stella	30.782.312	923.912
	30.782.400	924.000

The share capital of the Company subscribed in nominal terms consists of 349.800 registered shares (2023: 10.500) with a nominal value of lei 88.

During the 2024, there were changes in the share capital of the Company, by increasing the ordinary shares and value of the share capital by 29.858.400 lei. Thus, by the decision of the Extraordinary General Meeting of Shareholders, it was unanimously decided to increase the share capital in the amount mentioned above and the shareholders' contribution took place through the conversion of subordinated loans attracted from AS Eleving Stella in the amount of 6 million EURO, equivalent to 29.8 million RON. There were no changes in the shareholding structure.

As of December 31, 2024, the Company has legal reserves amounting to 184.800 lei (December 31, 2023: 184.800 lei).

25. CHANGES IN THE PRESENTATION OF FINANCIAL STATEMENTS

In 2024, in order to ensure a better presentation of the financial results, the Company made a series of reclassifications at the level of the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position, as follows:



Statement of Profit or Loss and Other Comprehensive Income:

	31 December 2023	Reclassifications	31 December 2023 reclassified
Interest income calculated using the effective interest method	67.730.000	(18.124)	67.711.876
Other similar income	-	18.124	18.124
Interest expense calculated using the effective interest method	(22.364.450)	85.339	(22.279.111)
Other similar expenses	-	(85.339)	(85.339)
Other operating income	522.962	(369.657)	153.305
Other operating expenses	(14.764.062)	369.657	(14.394.405)

- 1) New items of other similar income and other similar expenses have been added to ensure the completeness and accuracy of the nature of interest income expenses and interest income income.
- 2) In the line of other operating income/expenses, the book value of the assets out of management was reclassified in order to be presented together with the income from the writte off of the assets.

Statement of Financial Position:

	31 December 2023	Reclassifications	31 December 2023 reclassified
Other current assets	1.949.341	89.806	2.039.147
Assets held for sale	89.806	(89.806)	-
Total assets	2.039.147	-	2.039.147
Income tax liabilities	-	1.089.191	1.089.191
Total liabilities	-	1.089.191	1.089.191

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the movements of the Company's debts from financing activities for the period 2024 and 2023. The items of these liabilities are those reported as financing activities in the treasury statement. Below are the amounts of the financing activities.

	Other borrowings	Payables from financing activities Subordinated debts	Lease liabilities	Total
Liabilities from financing activities as of December 31, 2022	74.253.960	85.298.400	1.620.716	161.173.076
Cash flows	(17.328.816)	17.320.850	(741.988)	(749.954)
<i>Non-monetary adjustments</i>				
Adjustments due to exchange rate differences	373.866	564.511	6.356	944.733
Other cashless transactions			2.202.590	2.202.590
Interest rate adjustment	(225.741)	1.083.085	(631.847)	225.498
Liabilities from financing activities as of December 31, 2023	57.073.269	104.266.846	2.455.827	163.795.943
Cash flows	27.567.248	62.192.500	(625.625)	89.134.123
<i>Non-monetary adjustments</i>				
Adjustments due to exchange rate differences	(8.134)	(40.669)	93	(48.710)
Other cashless transactions	-	-	554.300	554.300
Conversion into share capital (Note 24)*	-	(29.858.400)	-	(29.858.400)
Interest rate adjustment	(172.372)	(1.047.000)	412.351	(807.021)
Liabilities from financing activities as of December 31, 2024	84.460.011	135.513.277	2.796.947	222.770.235

Non-cash movements represent the conversion of subordinated loans into share capital described in Note 24 "Share capital".

27. STRUCTURE OF ASSETS AND LIABILITIES BASED ON MATURITY

The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period for items from financial position:

	31 December 2024			31 December 2023		
	Amounts expected to be recovered or settled			Amounts expected to be recovered or settled		
	Total	Within 12 months after the reporting period	After 12 months after the reporting period	Total	Within 12 months after the reporting period	After 12 months after the reporting period
ASSETS						
Cash and cash equivalents	9.216.445	9.216.445	-	557.694	557.694	-
Loans and advances to customers	223.236.016	62.210.162	161.025.854	166.954.774	47.349.481	119.605.293
Loans to related parties	38.940.185	38.940.185		5.909.061	5.909.061	
Other assets	2.945.871	2.945.871		2.039.147	2.039.147	
Intangible assets	140.915		140.915	206.217		206.217
Property, plant and equipment	3.170.635		3.170.635	3.807.011		3.807.011
Deferred tax assets	828.378	828.378		412.572	412.572	
TOTAL ASSETS	278.478.445	114.141.041	164.337.404	179.886.476	56.267.954	123.618.521
LIABILITIES						
Borrowings	219.973.288	8.112.235	211.861.053	161.340.115	53.841.274	107.498.841
Lease liabilities	2.796.947	631.851	2.165.096	3.052.960	555.466	2.497.494
Other liabilities	22.973.358	22.973.358	-	6.433.768	6.433.768	-
TOTAL LIABILITIES	245.743.593	31.717.444	214.026.149	170.826.843	60.830.508	109.996.335

28. COMPLIANCE WITH LAW AND REGULATION

The Company is committed to building a diversified, sustainable lending portfolio. In line with the Group's overarching strategy, our commercial focus is on:

- Expanding the range of consumer financing products
- Tailoring offerings to segmented customer needs, through more personalized risk and pricing models,
- Concluding cross-sale and up-sale credit contracts in addition to the mainstream sales flow,
- Investing in digital platforms to improve accessibility, customer experience, and operational efficiency,
- Expanding and diversifying our sales channels while striving for a balanced combination of those.

Law 243/2024, concerning consumer protection in relation to the total cost of credit and the assignment of receivables ("the Law"), came into effect in November 2024 and introduced new safeguards to ensure fair and transparent treatment for consumers. In response, the Company has proactively adjusted its commercial and lending strategies to comply with the Law's requirements.

During the period of the Law validity, the Company entered into a number of customer relationships, multiple of which involved contracts for more than one credit product concluded with the same customer on the same day which may be viewed as for the same purpose. While such arrangements stem from lending policy and digital customer service journey application, certain interpretations of the Law could regard such same day conclusion of multiple contracts as potentially bearing elevated non-

compliance risk related to the APR ceiling application at the contract level under the Law. If these practices are reclassified by the regulatory authority, the Company could face regulatory implications.

By the date these financial statements were authorized for issue, the Company had materially strengthened its underwriting policies, customer journey design and control environment. Most of these developments went live in April 2025, aiming to maintain full alignment with the Law and to eliminate any residual risk that same day conclusion of multiple contracts might be viewed as noncompliant. These measures apply to new loans issued after the implementation. Further refinements to the Company's lending processes are already in progress and will be rolled out progressively throughout the remainder of 2025.

Management remains steadfast in its commitment to legal and regulatory compliance as an integral component of the Company's ongoing development.

29. EVENTS AFTER THE BALANCE SHEET DATE

The debt imposed as a result of the tax audit in the amount of 15,074,000 lei detailed in Note 12 was paid by the Company on January 15, 2025. Also, as a result of this control, in January the Company filed actions to appeal the decision issued by ANAF, actions that are currently in the process of solving the appeal submitted to the Ministry of Finance.

No other significant events after the reporting date.

The financial statements were approved by the Board of Directors on May 08, 2025 and were signed on its behalf by:

Chief Executive Officer,
PRUNĂ Lucian

Deputy CEO,
TETICI Marilena

Lucian-
Aurel
Pruna

Digitally signed by
Lucian-Aurel Pruna
Date: 2025.05.08
21:24:24 +03'00'

Marilena
Tetici

Digitally signed by
Marilena Tetici
Date: 2025.05.08
21:10:46 +03'00'

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mogo IFN S.A.

Official head office: Bucuresti, Calea Mosilor street, No. 51, floor. 2

Fiscal registration number: 35917970

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of **Mogo IFN SA** (the Company) which comprise the statement of financial position as at 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. The financial statements as at and for the year ended December 31, 2024, are identified as follow:

➤ Total assets:	278,478,445 RON
➤ Net loss of the year:	(6,183,181) RON

3. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with NBR Order 27/2010 for the approval of the Accounting regulations in accordance with the International Financial Reporting Standards ("Order 27/2010), with subsequent changes and additions.

Basis for opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (forth named The "Regulation") and Law 162/2017 ("the Law"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Individual financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key Audit Matter

How our audit addressed the key audit matter:

Expected losses related to loans and advances to customers

Refer to the following notes in the financial statements: *Note 4.3. Financial Instruments, Note 4.5. Accounting Estimates and Judgements Used in Applying Accounting Policies, Note 5.2. Risk Management - Credit Risk, Note 10. Net Expenses with Adjustments for Expected Credit Losses, Note 15. Loans and Advances to Customers.*

The net carrying value of receivables from loans and advances to customers, amounting to 223,236 thousand RON, represents a significant percentage (80%) of the total assets of the Company as of December 31, 2024.

As described in *Note 15. Loans and Advances to Customers*, the expected losses related to receivables from loans and advances to customers represent management's best estimate of the expected credit losses ("ECL") for loans and advances to customers measured at amortized cost as of the reporting date.

Expected credit losses are determined using modeling techniques based on key parameters: the probability of default (PD), exposure at default (EAD), and loss given default (LGD), taking into account historical experience, identification of exposures with a significant increase in credit risk ("SICR"), forward-looking information, and management's rationale.

Given the proportion of loans and advances to customers in the company's assets, uncertainty in estimation and the complexity of estimation techniques, we consider the estimation of expected losses related to credits granted to customers a key audit matter.

Our audit procedures included, among others, assessing the Company's methodology for identifying impairment indicators and determining expected losses, including determining macroeconomic scenarios and their associated weights, criteria for determining the credit stages, and models for determining credit risk parameters, such as the probability of default, exposure at default, and loss given default.

We assessed the design and operational effectiveness of internal controls related to monitoring the quality of loans and advances to customers, models for determining parameters, macroeconomic scenarios and their associated weights, calculation of Expected Credit Losses, as well as controls over data quality underlying the calculations and relevant systems.

For the credit portfolio, collectively assessed in Stage 1, Stage 2, or Stage 3, we tested key risk parameters, checked the classification into Stages for a sample of contracts, and verified the calculations made regarding expected losses.

We also evaluated whether the information presented by the Company in the financial statements regarding expected credit losses and credit risk is adequate.

Emphasis of matter

6. We draw attention to *Note 28 "Compliance with Law and Regulations"* to the financial statements which describes the fact that a compliance risk has been identified in relation to Law 243/2024, which came into force in November 2024. Since that time, the Company has issued multiple loan contracts to the same client on the same day, which may be viewed as for the same purpose, which under certain interpretations of the Law could be seen as bearing a non-compliance

risk and could therefore lead to regulatory consequences. Our opinion is not modified in respect of this matter.

Other matters

7. This report of the Independent Auditor is addressed exclusively to the Company's shareholders, as a body. Our audit was undertaken in order to report to the Company's shareholders all those aspects that we are required to state to them in a financial audit report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for the report on the individual financial statements, or for the opinion we have formed.

Other information - Administrators report

8. Administrators are responsible for the preparation and presentation of other information. That other information includes the Administrators' Report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information and, unless expressly stated in our report, we do not express any assurance conclusion about it.

In connection with the audit of the financial statements for the financial year ended 31 December 2024, our responsibility is to read that other information and, in doing so, to consider whether that other information is materially inconsistent with the financial statements or with our knowledge during the audit, or if they appear to be materially misstated.

Regarding the Administrators' Report, we have read and report whether it was prepared, in all significant aspects, in accordance with the information provided in Order 27/2010, points 12-17.

Based exclusively on the activities to be carried out during the audit of the financial statements, in our opinion:

a) The information presented in the Administrators' Report for the financial year for which the financial statements were drawn up are consistent, in all significant aspects, with the financial statements;

b) The administrators' report was drawn up, in all significant aspects, in accordance with the information required by Order 27/2010, points 12-17.

9. In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the financial year ended 31 December 2024, we are required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report on this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

10. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the National Bank of Romania Order 27/2010 for the approval of the Accounting regulations in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

12. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Individual financial statements

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

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

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

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

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

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. We have been appointed by the General Assembly of Shareholders on October 15, 2024 to audit the individual and consolidated financial statements of Mogo IFN S.A. for the financial year ended December 31, 2024. The uninterrupted total duration of our commitment is 3 years, covering the financial year 2022 and 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued and this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- We have not provided for the Company the non-audit services referred to in Article 5 (1) of EU Regulation No.537 / 2014

For and behalf of BDO Audit SRL

Registered in the Public Electronic Report of financial auditors and
audit firms with no. FA18

Partner's name: Vasile Bulată

Registered in the Public Electronic Report of financial auditors and
audit firms with no. AF1480

Bucharest, Romania

Autoritatea pentru Supravegherea Publică
a Activității de Audit Statutar (ASPAAS)

Firma de Audit: BDO AUDIT SRL
Registrul Public Electronic: FA18

Autoritatea pentru Supravegherea Publică
a Activității de Audit Statutar (ASPAAS)

Auditor financiar: VASILE BULATA
Registrul Public Electronic: AF1480

8 May 2025