

## **Conflicts of Interest Disclosure**

This document provides the Conflicts of Interest Disclosure for Firefish Europe s.r.o. ("**Firefish**"), as required by Article 72 of Regulation (EU) 2023/1114 on Markets in Crypto-Assets ("**MiCA**") and Commission Delegated Regulation (EU) 2025/1140.

It outlines:

- the nature, sources, and Firefish's approach to preventing and managing conflicts of interest that may arise in connection with its crypto-asset services;
- the risks such conflicts may pose to clients; and
- the systems and controls implemented to identify, prevent, manage, and where appropriate, disclose such conflicts.

Firefish is committed to managing any conflicts in a fair, transparent, and effective manner to avoid any material risk of harm to client interests.

### **WHERE CONFLICTS MAY ARISE**

#### **1. Platform Roles and Escrow Control**

Firefish performs a set of operational and technical roles throughout the lifecycle of a Bitcoin-backed loan, including acting as Payment Oracle and Price Oracle within the multisignature escrow system and signing escrow transactions upon predefined events such as default or liquidation.

While Firefish does not unilaterally determine the occurrence of such loan events, it may play a procedural and operationally decisive role in confirming and executing them in its oracle capacity. This may give rise to a conflict of interest where Firefish's interpretation or timing of such events affects either party to the loan.

#### **2. Liquidation Exchange and profit risk**

The Liquidation Exchange service constitutes a crypto-asset service of exchanging crypto-assets for funds or for other crypto-assets within the meaning of MiCA.

Within this service, Firefish - acting as Liquidator - may acquire Bitcoin collateral and exchange it for fiat or stablecoins. The service is operated under a non-discriminatory commercial policy pursuant to Article 77(1) MiCA, mitigating risks related to pricing fairness or execution inequality.

However, Firefish may profit from the spread between acquisition and resale value of the collateral. This introduces a potential conflict of interest, as Firefish may have an economic incentive in loans being settled by way of the Liquidation exchange, even though it does not control borrower default nor eventual Bitcoin price changes leading to collateral liquidation.

#### **3. Personal Transactions and Inside Knowledge**

Employees, management, or other related persons are generally not prohibited from participating as borrowers or lenders on the platform. However, such participation is subject to monitoring under MiCA and Delegated Regulation (EU) 2025/1140. These transactions may

still give rise to conflicts, particularly where participants have access to non-public information related to loan conditions.

#### **4. Group Interests and Dual Mandates**

Firefish Europe s.r.o. is part of a group of undertakings that includes:

- Firefish Peer Servicing s.r.o. (Slovak Republic) - the Instant Loan provider;
- Firefish Labs s.r.o. (Czech Republic) - its parent company.

Certain members of the management body hold positions in multiple group entities. While Instant Loans are financed by third-party capital, beneficially owned by such third-parties and Firefish group structure is transparent and duly disclosed, these shared governance structures and related-party links may give rise to:

- conflicts between Firefish's neutrality and its affiliation with the Instant Loan provider;
- perceptions of influence in loan terms, risk exposure, or borrower selection;
- strategic preferences favoring group or shareholder interests over clients' or over Firefish's.

#### **RISKS TO CLIENTS**

Identified conflicts may mainly result in:

- Collateral Escrow decisions being affected by Firefish's economic interests, instead of objective rules and conditions;
- information asymmetry between the platform and the client, particularly in choosing between Self-Liquidation and Liquidation Exchange;
- preferential conditions for related parties or internal actors.

#### **CONFLICT MITIGATION MEASURES**

Firefish has implemented an internal control framework to ensure conflicts of interest are identified, managed, and mitigated effectively:

##### **1. Governance and Oversight**

- A designated member of the management body oversees conflict of interest matters.
- Employees and managers are required to promptly report potential conflicts.
- Related policies are maintained and regularly reviewed.
- All potential and actual conflicts are reviewed and recorded.

##### **2. Functional Segregation**

- Collateral Escrow-related roles (Payment Oracle, Price Oracle) are technically and functionally separated, including pre-signed transactions.
- Persons responsible for commercial strategy (e.g., pricing, promotions, or Instant Loan relations) are not involved in operational Oracle functions or Escrow key management in a way that may give rise to conflict of interests.

##### **3. Remuneration Safeguards**

- Compensation schemes are structured to avoid incentives that might promote borrower default, liquidation triggers, or platform-centric outcomes over fair client treatment.

- No performance-based remuneration is tied to specific client transactions or origination outcomes in a way that could lead to conflict of interest.

#### **4. Personal Transaction Controls**

Personal transactions by related persons are subject to:

- pre-transaction review where applicable;
- documentation of rationale;
- logging and supervisory sign-off where conflicts are possible.

#### **5. Disclosure and Client Information**

Conflicts that cannot be prevented or sufficiently mitigated will be disclosed transparently on our website and, where relevant, during user interactions.

Clients will be given sufficient information to make informed decisions before proceeding with a transaction.