

# Financial Statements 2021

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**N.C.O. "Aventus Finance" S.R.L.**

**Financial statements  
For the year ended at 31 December 2021**

**In accordance with National Standards of Accounting**

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**Summary:**

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**In attention to associates**

**N.C.O. “Aventus Finance” S.R.L.**

## **INDEPENDENT AUDITOR’S REPORT**

### **Opinion**

We have audited the financial statements of N.C.O. “Aventus Finance” S.R.L. (the Company), which comprise the balance sheet as at December 31, 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the financial statements give a true and fair view of the financial position of the Company and of its financial performance and cash flows for the year then ended in accordance with National Standards of Accounting.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Republic of Moldova and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit aspects**

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

### **Material Uncertainty Related to Going Concern**

This report is addressed exclusively to the Company's shareholders as a whole. Our audit was performed in order to be able to report to the Company's shareholders those aspects that we must report in a financial audit report, and not for other purposes. To the extent permitted by law, we accept and assume responsibility only to the Company and its shareholders, as a whole, for our audit, for this report or for the opinion formed.

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

Management is responsible for the preparation of the financial statements in accordance with National Standards of Accounting 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. In preparing the 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. Those charged with governance are responsible for overseeing the Company’s financial reporting process.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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 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.

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.

Date of the report :

28 th of March 2022

Made by:

**Audit company "Manager Audit" SRL**

MD-2005, mun. Chisinau, 55, Petru Rares str.

Auditor,



**Schendrea Nina**

Qualification certificate of the auditor AG 000001



**N.C.O. "AVENTUS FINANCE" S.R.L.**
**BALANCE SHEET**
**At 31 Decembre 2021**
**BALANCE SHEET AT 31.12.2021**

No.	Indicators	Note	2020	2021
<b>A.</b>	<b>FIXED ASSETS</b>			
	<b>I. Intangible assets</b>			
	1. Intangible assets under execution			
	2. Intangible assets in exploitation, total	4	15,960	51,129
	of which:			
	2.1. concessions, licenses and trademarks	4	4,697	4,576
	2.2. copyright and protection titles			-
	2.3. computer programs	4	11,263	7,560
	2.4. other intangible assets			38,992
	3. Goodwill			
	4. Advance payments for intangible assets			
	<b>Total intangible assets</b>		<b>15,960</b>	<b>51,129</b>
	<b>II. Tangible assets</b>			
	1. Tangible assets under execution	5		8,850
	2. Lands			
	3. Fixed assets, total	5	473,639	1,159,237
	of which:			
	3.1. buildings			
	3.2. special constructions			
	3.3. machines, machinery and technical installations	5	291,970	357,618
	3.4. means of transport			608,278
	3.5. inventory and furniture			
	3.6. other fixed means	5	181,669	193,340
	4. Mineral resources			
	5. Immobilized biological assets			
	6. Real estate investments			
	7. Advances granted for property, plant and equipment			
	<b>Total tangible assets</b>		<b>473,639</b>	<b>1,168,087</b>
	<b>III. Long-term financial investments</b>			
	1. Long-term financial investments in unaffiliated parties			
	2. Long-term financial investments in affiliated parties, total			
	of which:			
	2.1. shares and participation shares held in affiliated parties			
	2.2. loans to affiliated parties			
	2.3. loans granted for participation interests			
	2.4. other financial investments			
	<b>Total long-term investments (row140 + row150)</b>		<b>0</b>	<b>0</b>
	<b>IV. Long-term receivables and other fixed assets</b>			
	1. Long-term trade receivables			
	2. Claims of long-term affiliated parties			



**N.C.O. "AVENTUS FINANCE" S.R.L.**
**BALANCE SHEET**
**At 31 Decembre 2021**

	including: receivables related to participation interests			
	3. Other long-term receivables	6	107,634	154,489
	4. Long-term anticipated expenses			
	5. Other fixed assets			
	<b>Total long-term receivables and other fixed assets</b>		<b>107,634</b>	<b>154,489</b>
	<b>TOTAL FIXED ASSETS</b>		<b>597,233</b>	<b>1,373,705</b>
<b>B.</b>	<b>CIRCULATING ASSETS</b>			
	<b>I. Inventory</b>			
	1. Materials and objects of small value and short duration	7	165,584	133,697
	2. Current biological assets			
	2. Production in progress			
	3. Products and goods			
	4. Advances granted for stocks	7	18,289	369
	<b>Total Inventory</b>		<b>183,873</b>	<b>134,066</b>
	<b>II. Current receivables and other current assets</b>			
	1. Current trade receivables			12,000
	2. Receivables of current affiliates			
	including: receivables related to participation interests			
	3. Budget receivables	8	368,142	5
	4. Employee receivables	9	25,513	10,200
	5. Other current receivables	10	4,213,783	5,233,069
	6. Current anticipated expenses	11	4,648	30,972
	7. Other circulating assets			
	<b>Total current receivables and other current assets</b>		<b>4,612,086</b>	<b>5,286,246</b>
	<b>III. Current financial investments</b>			
	1. Current financial investments in unaffiliated parties	12	29,604,646	59,274,609
	2. Current financial investments in related parties, total			
	of which:			
	2.1. shares and participation shares held in affiliated parties			
	2.2. loans to related parties			
	2.3. loans granted for participation interests			
	2.4. other financial investments in related parties			
	<b>Total current financial investments</b>		<b>29,604,646</b>	<b>59,274,609</b>
	<b>IV. Cash and money documents</b>	13	<b>1,268,590</b>	<b>1,700,874</b>
	<b>TOTAL CIRCULATING ASSETS</b>		<b>35,669,195</b>	<b>66,395,795</b>
	<b>TOTAL ASSETS</b>		<b>36,266,428</b>	<b>67,769,500</b>
<b>C.</b>	<b>OWN CAPITAL</b>			
	<b>I. Social and unregistered capital</b>			
	1. Social capital	14	2,500,000	2,500,000
	2. Unpaid capital		( )	( )
	3. Unregistered capital			
	4. Retired capital		( )	( )

**N.C.O. "AVENTUS FINANCE" S.R.L.**
**BALANCE SHEET**
**At 31 Decembre 2021**

	5. Patrimony received from the state with property right			
	<b>Total social and unregistered capital</b>		<b>2,500,000</b>	<b>2,500,000</b>
	<b>II. Capital premiums</b>		<b>120,981</b>	<b>120,981</b>
	<b>III. Reserves</b>			
	1. Reserve capital			
	2. Statutory reserves			
	3. Other reserves			
	<b>Total reserves</b>		<b>0</b>	<b>0</b>
	<b>IV. Profit (loss)</b>			
	1. Corrections to the results of previous years			(14,847)
	2. Undistributed profit (uncovered loss) of previous years		530,499	(2,387,897)
	3. Net profit (net loss) of the management period		(2,918,396)	6,279,500
	4. Profit used during the management period		( )	( )
	<b>Total profit (loss)</b>		<b>(2,387,897)</b>	<b>3,876,756</b>
	<b>V. Revaluation reserves</b>			
	<b>VI. Other own capital elements</b>			
	<b>TOTAL OWN CAPITAL</b>		<b>233,084</b>	<b>6,497,737</b>
<b>D.</b>	<b>LONG-TERM DEBTS</b>			
	1. Long-term bank loans			
	2. Long-term loans	15		57,367,799
	of which:			
	2.1. loans from the bond issue			
	including: loans from the issue of convertible bonds			
	2.2. other long-term loans			
	3. Long-term trade debts	16		421,477
	4. Long-term debts to affiliated parties			
	including: debts related to participation interests			
	5. Long-term advances received			
	6. Long-term anticipated income			
	7. Other long-term debts			
	<b>TOTAL LONG-TERM DEBTS</b>		<b>0</b>	<b>57,789,276</b>
<b>E.</b>	<b>CURRENT DEBTS</b>			
	1. Short-term bank loans			
	2. Short-term loans, total	17	34,589,378	811,597
	of which:			
	2.1. loans from the bond issue			
	including: loans from the issue of convertible bonds			
	2.2. other short-term loans			
	3. Current commercial debts	18	294,833	867,937
	4. Current debts to affiliate parties			
	including: debts related to participation interests			
	5. Current advances received			
	6. Liabilities towards employees	19	425,021	571,320
	7. Social and medical insurance debts	20	102,053	142,520

**N.C.O. "AVENTUS FINANCE" S.R.L.****BALANCE SHEET****At 31 Decembe 2021**

	8. Debts to the budget	21	102,776	386,667
	9. Debts to owners			
	10. Current anticipated income			
	11. Other current debts	22	146,233	229,617
	<b>TOTAL CURRENT DEBTS</b>		<b>35,660,294</b>	<b>3,009,658</b>
<b>F.</b>	<b>PROVISIONS</b>			
	1. Provisions for employee benefits	23	373,050	472,829
	2. Provisions for guarantees granted to buyers / customers			
	3. Provisions for taxes			
	4. Other provisions			
	<b>TOTAL PROVISIONS</b>		<b>373,050</b>	<b>472,829</b>
	<b>TOTAL LIABILITIES</b>		<b>36,266,428</b>	<b>67,769,500</b>

Attached notes constitute integral parts of these financial statements.

**Roman Guțu****Director N.C.O. "Aventus Finance" S.R.L.**

(signature)





**N.C.O. "AVENTUS FINANCE" S.R.L.****PROFIT AND LOSS ACCOUNT****For the year ended at 31 December 2021****PROFIT AND LOSS ACCOUNT****For the year 2021**

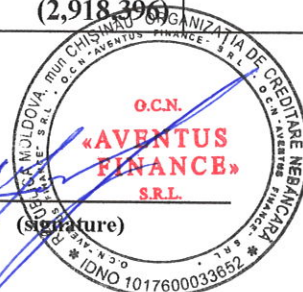
Indicators	Note	2020	2021
<b>Sales income, total</b>	<b>24</b>	<b>36,324,482</b>	<b>56,459,157</b>
from which:			
income from the sale of products and goods			
revenues from the provision of services and execution of works			
revenues from construction contracts			
income from leasing contracts			
revenues from microfinance contracts	24	36,324,482	56,459,157
other sales revenue			
<b>Sales cost, total</b>	<b>25</b>	<b>12,593,295</b>	<b>21,285,103</b>
from which:			
the book value of the products and goods sold			
the cost of the services provided and the works performed to third parties			
costs related to construction contracts			
costs related to leasing contracts			
costs related to microfinance contracts	25	12,593,295	21,285,103
other sales costs			
<b>Gross profit (gross loss) (rd.010 - rd.020)</b>		<b>23,731,187</b>	<b>35,174,054</b>
Other income from operational activity	26	8,114,968	10,894,371
Distribution expenses	27	8,579,370	12,195,283
Administrative costs	28	6,814,432	14,383,403
Other expenses from operational activity	29	16,779,426	15,252,910
<b>The result from the operationg activity: profit (loss)</b>		<b>(327,073)</b>	<b>4,236,829</b>
<b>Financial income, total</b>	<b>30</b>	<b>1,190,817</b>	<b>4,769,806</b>
from which:			
income from participation interests			
including: revenues obtained from affiliated parties			
interest income	30	15	
including: revenues obtained from affiliated parties			
income from other long-term financial investments			
including: revenues obtained from affiliated parties			
income related to value adjustments regarding long-term and current financial investments			
income from the exit of financial investments			
income related to exchange rate and amount differences	30	1,190,802	4,769,806
<b>Financial expenses, total</b>	<b>30</b>	<b>3,782,140</b>	<b>2,135,538</b>



**N.C.O. "AVENTUS FINANCE" S.R.L.****PROFIT AND LOSS ACCOUNT****For the year ended at 31 December 2021**

from which:			
Interest charges			
including: expenses related to affiliated parties			
expenses related to value adjustments regarding long-term and current financial investments			
expenses related to the exit of financial investments			
expenses related to exchange rate and amount differences	30	3,782,140	2,135,538
<b>Results: financial gross profit (gross loss)</b>		<b>(2,591,323)</b>	<b>2,634,268</b>
Income with fixed and exceptional assets			15,000
Expenses with fixed and exceptional assets			5,340
<b>The result from operations with fixed and exceptional assets: profit (loss)</b>		<b>0</b>	<b>9,660</b>
<b>The result of other activities: profit (loss)</b>		<b>(2,591,323)</b>	<b>2,643,928</b>
<b>Profit (loss) until taxation</b>		<b>(2,918,396)</b>	<b>6,880,757</b>
Income tax expenses	31	0	601,257
<b>Net profit (net loss) of the management period</b>		<b>(2,918,396)</b>	<b>6,279,500</b>

Attached notes constitute integral parts of these financial statements.

**Roman Guțu****Director N.C.O. "Aventus Finance" S.R.L.**

**N.C.O. "AVENTUS FINANCE" S.R.L.**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended at 31 December 2021**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year 2021**

No.	Indicators	Row Code	Balance at the beginning of the management period	Increases	Decreases	Balance at the end of the management period
1	2	3	4	5	6	7
1	<b>Statutory and additional capital</b>					
	Social capital	10	2,500,000			2,500,000
	Additional capital	20	( )	( )	( )	( )
	Unspent capital	30				0
	Unregistered capital	40	( )	( )	( )	( )
	Retired capital	50				0
	<b>Total statutory and additional capital</b> (row 010 + row 020 + row 030 + row 040 + row 050)	60	<b>2,500,000</b>	<b>0</b>	<b>0</b>	<b>2,500,000</b>
2	<b>Capital premiums</b>	70	<b>120,981</b>			<b>120,981</b>
3	<b>Reserves</b>					0
	Capital reserve	80				0
	Statutory reserves	90				0
	Other reserves	100				0
	<b>Total reserves</b> (row 070 + row 080 + row 090)	110	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<b>Retained earning (profit or loss)</b>					0
	Corrections to previous years results	120	x		14,847	(14,847)
	Non-distributed profit (loss not covered) of previous years	130	(2,387,897)			(2,387,897)
	Net profit (net loss) of the management period	140		6,279,500		6,279,500
	Profit used during the management period	150	x	( )	( )	
	<b>Total retained earning (profit or loss)</b> (row 120 + row 130 + row 140 + row 150)	160	<b>(2,387,897)</b>	<b>6,279,500</b>	<b>14,847</b>	<b>3,876,756</b>
4	<b>Reserves from reevaluation</b>	170				0
5	<b>Other elements of own capital</b>	180				0
	<b>Total own capital</b> (row 060 + row 070 + row 110 + row 160 + row 170 + row 180)	190	<b>233,084</b>	<b>6,279,500</b>	<b>14,847</b>	<b>6,497,737</b>

**N.C.O. "AVENTUS FINANCE" S.R.L.**  
**CASH FLOWS STATEMENT**  
For the year ended at 31 December 2021

**CASH FLOWS STATEMENT**

*For the year 2021*

Indicators	Row code	2020	2021
<b>Cash flows from operational activity</b>			
Proceeds from sales	10	29,418,687	52,113,971
Payments for stocks and services purchased	20	11,765,020	20,198,976
Payments to employees and social and health insurance bodies	30	7,013,992	12,470,726
Interests paid	40	4,159,782	7,146,257
Payment of income tax	50	556,150	30,000
Other proceeds	60	100,491,856	173,475,410
Other payments	70	111,042,466	210,691,272
<b>The net cash flow from the operational activity</b> (row 010 – row 020 – row 030 – row 040 – row 050 + row 060 – row 070 )	<b>80</b>	<b>(4,626,867)</b>	<b>(24,947,850)</b>
<b>Cash flows from investment activity</b>			
Proceeds from the sale of fixed assets	90		
Payments for inflows of fixed assets	100	357,552	438,377
Interests collected	110		
Dividends collected	120		
including: foreign dividends collected	121		
Other proceeds (payments)	130		
<b>The net cash flow from the investment activity</b> (row 090 – row 100 + row 110 + row 120 ± row 130)	<b>140</b>	<b>(357,552)</b>	<b>(438,377)</b>
<b>Cash flows from financial activity</b>			
Proceeds in the form of loans and credit	150	15,647,645	25,834,969
Payments related to repayment of loans and credit	160	7,534,916	
Dividends paid	170	470,000	
including: dividends paid to foreigners	171		
Proceeds from capital operations	180		
Other proceeds (payments)	190	15	
<b>Net cash flow from financial activity</b> (row 150 – row 160 – row 170 + row 180 ± row 190)	<b>200</b>	<b>7,642,744</b>	<b>25,834,969</b>
<b>Total net cash flow</b> (± row 080 ± row 140 ± row 200)	<b>210</b>	<b>2,658,325</b>	<b>448,742</b>
Favorable (unfavorable) exchange rate differences	220	(2,591,323)	(16,458)
<b>Cash balance at the beginning of the management period</b>	<b>230</b>	<b>1,201,588</b>	<b>1,268,590</b>
<b>Cash balance at the end of the management period</b> (± row 210 ± row 220 + row 230)	<b>240</b>	<b>1,268,590</b>	<b>1,700,874</b>

Attached notes constitute integral parts of these financial statements.



**1. General information about the company**

The company was founded on August 09, 2017. The company's activity is regulated by two main laws: Law nr. 135-XVI from 14.06.2007 and Law regarding non-bank credit organizations nr. 1 from 16.03.2019 which define the aim and the main principles for acting as a microfinancing organization.

The main goal of microfinance organizations is to increase and facilitate the access to financial sources to the population, individual entrepreneurs and micro, small and medium enterprises.

The microfinance organizations have several principles of activity, which can be summarized as follows:

- a) To ensure financial stability in microfinance sector
- b) To ensure transparency in microfinance sector
- c) To respect the principle of fair competition.

The company's activity is supervised by the National Commission of Financial Market.

The company rents surfaces (31 August 1989, 197.6 sq.m.) for its main office, which is situated in mun. Chisinau, 31 August 1989 street, 64.

The executive management of the company is ensured by Mr. Roman Guțu since August 2017.

For 2021, the responsible for accounting and bookkeeping services, chief-accountant Nadejda Cazac.

The sole shareholder of the business is the company UAB „Aldega” incorporated in Lithuania (100%).

The main activity of the company is to grant consumer loans and other loans for personal reasons to individuals (residents).

At the end of year 2021, the company has 71 employees.

Since the start of the emergency situation in Moldova, 16 March 2020, the company has tightened the rules for granting loans because of decrease of receipts for due rates during this period of crisis.

In this way, since the beginning of April the entity has adopted a decision for reorganisation and restructuring of the activity such as:

- Stop long-term lending,
- Stop calculating of the penalties during the period of emergency,
- Rescheduling of the due rates for customers affected by the reduction of income, by modifying the schedule of payments with extension from 1 month to 3 months, without any additional interest or fees,
- Coverage by the company of the fees charged by the payment service providers.

In addition, the new CNPF regulation regarding asset classification entered into force from 17.01.2020 will have a negative impact on 2021 results.

**2. Basis of presentation**

The financial year begins at 1st of January and ends to 31st of December and includes all the operations made by the company within the period.

All the relevant indicators linked to company's activity and reflecting financial and economic results from the activity during the financial year are included and reflected in the financial statements of the financial year.

The financial statements are drawn up in MDL (Moldavian leu). The financial statements are prepared based on historical cost, modified as consequence from financial assets and liabilities revaluations.

### **3. Significant accounting policies**

#### **a. Accounting principles**

Financial statements are drawn up in accordance with National Standards of Accounting approved by the Ministry of Financial Affairs. Since 01.01.2015, the company has switched to new standards of accounting and new accounting plan.

#### **b. Conversion of outstandings denominated in foreign currencies**

All the transactions in foreign currencies are recorded at the exchange rate at the date of transaction. At the date of Balance sheet, the assets and liabilities denominated in foreign currencies are converted using closing exchange rate.

Exchange rates at the end of the year and annual average exchange rates are:

	<b>2021</b>		<b>2020</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
Average of the period	17.6816	20.9255	17.3201	19.7436
End of year	17.7452	20.0938	17.2146	21.1266

#### **c. Tangible assets (fixed assets)**

Tangible assets (fixed assets) recognized as assets are recorded initially at their original cost. After initial recognition, these assets are stated at cost of acquisition reduced by cumulated depreciation.

Costs for repairs, maintenance or other measures for maintaining the asset are reported as operating expenses for the respective accounting period. Subsequent expenses afferent to tangible assets are capitalized to the extent, in condition of increase of asset performance above initial recognition.

The depreciation is primarily computed by the straight-line method over the estimated useful lives of the assets, as indicated in the table below:

<b>Tangible assets</b>	<b>Useful life (years)</b>
Equipments, furniture and computers	3
Other tangible assets	3-5

Each tangible asset with value higher than 6 000 MDL and an estimated useful life higher than 1 year is capitalized. Thus, tangible asset with cost of acquisition less than 6 000 MDL should be considered as expense.

#### **d. Intangible assets**

Intangible assets are stated at cost less accumulated amortization. Subsequent expenditures on intangible assets are capitalized with condition of increase of future economic benefits embodied in the specific asset to which they relate. All other expenditures are recorded as incurred.

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives are as follows:

<b>Intangible assets</b>	<b>Useful life (years)</b>
Trade-mark	20
Licenses	3-5
Software	3-5



**e. Granted loans and provisions for impairment on granted loans**

Loans are stated at their nominal value, minus general provisions for impairment on granted loans.

The general provisions are established in compliance with the "Regulation about the classification of loans and calculated interests by microfinance organizations" adopted by the NCFM decision based on the evaluation of the loan portfolio at the end of the financial year. The general provisions don't include provisions for unearned interests.

Provisions for impairment on granted loans are recorded as expenses in the profit and loss account.

In case of a loan which can't be recovered and all necessary legal procedures have been exhausted, the outstanding loan amount should be deducted from total amount of general provisions and total amount of loans.

According to the Regulation about the classification of loans and calculated interests by microfinance organizations, approved by NCFM decision nr. nr. 60/4 from 16.12.2021, each loan should be classified in one of five categories (see below) and the amount of resources required for general provisions reserve account should be determined by applying the following percentages to the outstanding of loans from each category as follows:

<u>Credit category</u>	<u>Rating (%)</u>
Standard	2%
Supervised	5%
Sub-standard	30%
Doubtful	60%
Compromised	100%

**f. Receivables**

Receivables recognized as assets are stated at their nominal value. They include the following:

- Receivables related to calculated income from interests and commissions from granted loans
- Receivables related to advances paid to suppliers for commercial bills and bailiffs
- State taxes for judgement examination and other competent bodies

**g. Inventories**

Inventories represent tangible assets and low value and short useful life objects that are held for use in the normal activity of the company.

Stock accounting is kept quantitatively and qualitatively by using permanent inventory.

Raw materials inventories are stated at the lowest value between cost and net realizable value.

Low value and short useful life objects (OMVSD –in Romanian) are stated at their cost less accumulated depreciation. For assets which value is less than 6000 MDL, but higher than 1000 MDL, the depreciation is calculated as 100% at the date of operation. Objects with unit prices less than 1000 MDL are reflected as expenses at the date of operation.

**h. Cash and cash equivalents**

For the purposes of cash flows statement, cash and cash equivalents comprise cash on hand and cash in bank accounts.

The balance of cash on hand and bank accounts is stated at its nominal value in MDL in the balance sheet. The balance of cash on hand and in bank accounts in foreign currencies is stated in MDL in the

balance sheet by applying the official exchange rate at the date of financial statements. All operations in foreign currencies should be recorded initially in MDL by applying the official exchange rate at the date of initial recording.

Bank accounts comprise:

- Current accounts in MDL
- Current accounts in foreign currencies
- Deposit accounts

**i. Bank deposits**

Bank deposits are temporary cash availabilities that are placed on deposits with agreed maturity and with interest.

The balance of deposit accounts in MDL is stated at nominal value in MDL in the balance sheet. The balance of deposit accounts in foreign currencies are stated in MDL in the balance sheet, by applying the official exchange rate at the date of financial statements.

**j. Cash in transit**

The aim of this account is to record all the payments and the receipts related to loan repayments and other afferent payments made by the intermediary of financial institutions and payment service providers.

Receipts are recorded to the credit of this account and payment of loans, interests, fees, penalties and other payments to the debit of this account.

**k. Deferred charges**

Deferred charges comprise:

- Subscription to specialist periodicals,
- Blanks,
- Expenses related to maintenance of web domain,

The depreciation of tyres and accumulators is recorded separately: the tyres are depreciated following the distance travelled by the car, but the accumulators are depreciated by the straight-line method over the utilization period.

**l. Equity and reserves**

Equity is represented by share capital of the entity.

Reserves accounting is kept by categories:

- Legal reserves;
- Statutory and contractual reserves;
- Other reserves.

Legal reserves are constituted each year from net profit, within the limits and statutory rates. Those can be used only in conditions provided by law.

Statutory and contractual reserves are constituted each year from net profit, according to provisions of the statute.

Other reserves may be established optionally from net profit, aimed to cover accounting losses or for other purposes according to General Assembly of shareholders or members decision in compliance with the law.



**m. Dividends**

Dividends to be paid are recorded only after General Assembly of shareholders or members decision on obtained results basis. Payment of dividends is made in cash. Accounting reports serve as a basis for profit distribution and other allocations.

**n. Liabilities**

Liabilities represent financial obligations money, goods or services that are owed to another parties – Creditors aimed to finance the company's activity.

Liabilities are stated at their nominal value recorded in documents that attest their appearance .

When foreign currency liabilities are settled in a subsequent accounting period, the exchange rate difference recognized during each financial year, which occurs until the settlement date, should be determined taking into account the fluctuations of NBM official exchange rates, which occurred during each financial exercise.

For liabilities denominated in MDL, but whose settlement is based on a foreign currency, any positive or negative difference resulting from their evaluation have to be registered in financial revenues or expenses, as appropriate.

At each balance sheet date, liabilities denominated in foreign currencies should be valued at the NBM official exchange rate and valid on the date of each financial year.

Liabilities are constituted of:

- Bank loans,
- Loans granted by shareholders / founders,
- Interest expenses on received loans,
- Account payables,
- Liabilities towards budget, employees and other creditors,
- Provisions for impairment related to granted loans, etc.

**o. Recognition of revenues and expenses**

According to National Standards of Accounting, revenues and expenses are recorded in accounting at the moment of their appearance.

Revenues comprise amounts received or to be received by the entity from its current activity, and other gains from any sources.

Revenues are classified as follows:

- Revenues from operating activity (interest income, commission income, penalties, etc.),
- Revenues from investing activity (tangible assets operations),
- Financial revenues,
- Extraordinary revenues.

The general criteria for revenue recognition are:

- The entity is likely to receive economic benefits from the performed operation;
- The size of revenue can be measured reliably.

Revenues are measured at the fair values of received or to be received items from debtors.

Revenues obtained during the reporting period but which relate to future periods are reflected as anticipated revenues in accounts.

In case the maturity of clients liabilities towards the entity is higher than 3 months, interest income and revenues from commissions for granted loans aren't calculated.

Expenses represent amounts paid and payable for:

- Loans and borrowings,
- Works performed and services provided in benefit to the entity,
- Staff costs,
- Execution of legal and contractual obligations, etc.

Also, expenses related to the financial exercise include provisions, depreciation/amortization and adjustments for depreciation/amortization or impairment losses.

The accounts for expenditures are kept by types of expenditures, as follows:

- Expenses from operating activity,
- Expenses from investing activity (tangible assets operations),
- Financial expenses,
- Extraordinary expenses.

#### **p. Result**

Financial net result (profit or loss) is established cumulative from the beginning of the financial exercise. The final result is established at the end of the financial year and it represents the balance of the profit and loss account.

Profits distribution/allocation is accounted by destinations, after approval of annual financial statements. As I mentioned, dividends are distributed according to General Assembly of shareholders/members decision.

Accounting loss is covered by profit of the current financial year and retained earnings, reserves and share capital, according to General Assembly of shareholders/members decision and to law.

#### **q. Offsetting financial assets and financial liabilities**

Financial assets and financial liabilities are offsetted, and net amount is registered in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is intention to settle or realize them on a net basis.

Revenues and expenditures are offsetted only when the Standard allows it or profits and losses occur in a group of similar transactions and aren't significant.

#### **r. Pension costs and employees' benefits**

"Aventus Finance" S.R.L. makes payments to the National House of Social Insurance and to the National House of Medical Insurance on behalf of its employees for pension, health care and unemployment benefit calculated based on employees' salaries. "Aventus Finance" S.R.L. does not operate any other defined benefit plan and has no obligation to provide further services to current or former employees.

#### **s. Income tax**

Income tax for the year is calculated based on the profit of the financial year adjusted by deductible and non-deductible elements and using tax rates in force at the balance sheet date.

Current Income tax is the total amount calculated for payment on the whole amount of taxable income for the reporting period, using tax rates in force or in process of approval at the balance sheet date, and any adjustment to tax income calculated for previous reporting periods.

Tax rate used to calculate income tax at the date of 31st of December 2021 is 12%.

**t. Related parties**

Parties are considered related if at least one of them has the capacity to control or to influence others in the process of financial and operational decision making.

Transactions between related parties represent transfer of resources or obligations between related parties without necessary to imply a price.

**u. Use of estimations**

In order to prepare financial statements in compliance with National standards of Accounting, the management has to make estimations and assumptions that can affect the amounts and balances reported in financial statements and notes. These estimations are based on available information at the date of financial statements. Therefore, current results could be different from those estimations. These estimations are reviewed periodically, and changes are recorded in the period they become known.

**v. Events after the Balance Sheet Date**

Events after the balance sheet date are reflected in the financial statements if they provide additional information about the entity's situation at balance sheet date (events that need adjustments), or indicate that the hypothesis of business continuity is not appropriate. Subsequent events which do not require adjustments are disclosed in the notes, if they are significant.



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**4. INTANGIBLE ASSETS**

The movements of intangible assets during the year ended to 31 of December 2021 are presented in the table below:

	Software	Trade-mark	Intangible assets in progress	Total
Cost	MDL	MDL	MDL	MDL
Balance at 1 January 2021	19,838	4,817	0	24,655
Acquisition	0	0	51,990	51,990
Transfers				0
Disposal				0
Balance at 31 December 2021	19,838	4,817	51,990	76,645
<b>Cumulated amortization</b>				0
Balance at 1 January 2021	8,575	120	0	8,695
Charge for the year	3,703	120	12,998	16,821
Disposals		0		0
Balance at 31 December 2021	12,278	240	12,998	25,516
<b>Carrying amount</b>				
At 31 December 2021	<b>7,560</b>	<b>4,577</b>	<b>38,992</b>	<b>51,129</b>
At 31 December 2020	<b>11,263</b>	<b>4,697</b>	<b>0</b>	<b>15,960</b>

The movements of intangible assets during the year ended to 31 of December 2020 are presented in the table below:

	Software	Trade-mark	Intangible assets in progress	Total
Cost	MDL	MDL	MDL	MDL
Balance at 1 January 2020	19,838	4,817	0	24,655
Acquisition	0	0		0
Transfers				0
Disposal				0
Balance at 31 December 2020	19,838	4,817	0	24,655
<b>Cumulated amortization</b>				0
Balance at 1 January 2020	3,217	0		3,217
Charge for the year	5,358	120		5,478
Disposals		0		0
Balance at 31 December 2020	8,575	120	0	8,695
<b>Carrying amount</b>				
At 31 December 2020	<b>11,263</b>	<b>4,697</b>	<b>0</b>	<b>15,960</b>
At 31 December 2019	<b>16,621</b>	<b>4,817</b>	<b>0</b>	<b>21,438</b>

5. TANGIBLE ASSETS

	IT equipments	Vehicles	Other assets	Assets in progress	Total
	MDL	MDL	MDL	MDL	MDL
<b>Cost</b>					
Balance at 1 January 2021	570,438	0	266,177	0	836,615
Acquisition	133,385	618,588	233,642	668,685	1,654,300
Transfers				659,835	659,835
Disposal	45,766				45,766
Balance at 31 December 2021	658,056	618,588	499,820	8,850	1,785,314
<b>Cumulated depreciation</b>					
Balance at 1 January 2021	254,996	0	107,980	0	362,976
Charge for the year	108,927	10,310	175,440		294,677
Disposals	40,426				40,426
Balance at 31 December 2021	323,497	10,310	283,420	0	617,227
<b>Carrying amount</b>					
At 31 December 2021	334,559	608,278	216,400	8,850	1,168,087
At 31 December 2020	315,442	0	158,198	0	473,639

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The movements of tangible assets during the year ended to 31 of December 2020 are presented in the table below:

	IT equipments	Other assets	Assets in progress	Total
	MDL	MDL	MDL	MDL
Balance at 1 January 2020	335,259	127,779	0	463,038
Acquisition	235,179	138,398		373,577
Transfers				0
Disposal				0
Balance at 31 December 2020	570,438	266,177	0	836,615
<b>Cumulated depreciation</b>				
Balance at 1 January 2020	108,863	43,918		152,781
Charge for the year	146,133	64,062		210,195
Disposals				0
Balance at 31 December 2020	254,996	107,980	0	362,976
<b>Carrying amount</b>				
At 31 December 2020	315,442	158,197	0	473,639
At 31 December 2019	226,395	83,862	0	310,257

**6. OTHER LONG-TERM RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Deposit guarantees for leasing contracts	153,239	106,384
Other advances	1,250	1,250
	<b>154,489</b>	<b>107,634</b>

**7. INVENTORY**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Marketing materials		25,500
Other inventory	915	3,610
Low value and short useful life objects	132,782	136,474
Advances granted for stocks	369	18,289
	<b>134,066</b>	<b>183,873</b>

**8. BUDGET RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Income tax from business activity		368,124
Withholding taxes	4	4
Income tax from salaries		14
Taxes for country planning	1	
	<b>5</b>	<b>368,142</b>

**9. EMPLOYEE RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Individual social security contributions	10,200	25,513
	<b>10,200</b>	<b>25,513</b>

**10. OTHER CURRENT RECEIVABLES**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Receivables related to calculated income	4,008,425	3,187,231
Receivables partners for incoming payments	614,514	756,877
Receivables related to granted loans	57,600	57,000
Judicial expenses	435,520	194,371
Other short-term receivables	677	677
Short term advances (for services in country)	116,095	17,389
Short term advances (abroad)	238	238
	<b>5,233,069</b>	<b>4,213,783</b>

*Receivables related to calculated income (details)*

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Accrued Interest receivable	2,335,024	1,759,432
Accrued Commissions on loans	4,146,345	4,227,316
Provision for Accrued Interest receivable	(832,502)	(709,375)
Provisions for commissions on loans	(1,640,442)	(2,090,143)



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**4,008,425**

**3,187,231**

*Provisions related to interest on loans (details)*

Calculated provisions represent impairment provisions related to interest on loans.

**2021**

Overdues	Interest	% provision	Provision
Standard	459,690	2%	9,194
Supervised	589,614	5%	29,481
Sub-standard	674,499	30%	202,350
Doubtful	49,360	60%	29,616
Compromised	561,861	100%	561,861
	<b>2,335,024</b>		<b>832,502</b>
Balance impairment provisions	832,502		

**2020**

Overdues	Interest	% provision	Provision
Standard	353,921	2%	7,079
Supervised	315,718	5%	15,786
Sub-standard	342,554	30%	102,766
Doubtful	408,737	60%	245,242
Compromised	338,502	100%	338,502
	<b>1,759,432</b>		<b>709,375</b>
Balance impairment provisions	709,375		

<i>Impairment provisions</i>	<b>2021</b>	<b>2020</b>
Balance at 1 <sup>st</sup> of January	709,375	426,259
Write-offs	871,177	897,533
Annual expenses	994,304	1,182,752
Cancel provision	83,831	2,103
Recovery	83,831	
<b>Balance at 31<sup>st</sup> of December</b>	<b>832,502</b>	<b>709,375</b>

*Provisions related to commission on loans (details)*

Calculated provisions represent impairment provisions related to commission on loans.

**2021**

Overdues	Interest	% provision	Provision
Standard	1,957,317	2%	39,146
Supervised	405,179	5%	20,259
Sub-standard	190,030	30%	57,009
Doubtful	174,478	60%	104,687
Compromised	1,419,341	100%	1,419,341
	<b>4,146,345</b>		<b>1,640,442</b>

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Balance impairment provisions 1,640,442

**2020**

Overdues	Interest	% provision	Provision
Standard	845,769	2%	16,915
Supervised	397,701	5%	19,885
Sub-standard	422,430	30%	126,729
Doubtful	1,587,008	60%	952,205
Compromised	974,409	100%	974,409
	<b>4,227,316</b>		<b>2,090,143</b>
Balance impairment provisions	2,090,143		

<i>Impairment provisions</i>	<b>2021</b>	<b>2020</b>
Balance at 1 <sup>st</sup> of January	2,090,143	0
Write-offs	2,979,389	1,572,940
Annual expenses	2,529,688	3,663,945
Cancel provision	126,786	862
Recovery	126,786	
<b>Balance at 31<sup>st</sup> of December</b>	<b>1,640,442</b>	<b>2,090,143</b>

*Receivables partners for incoming payments (details)*

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Paymaster SRL	147,890	89,325
Paynet Services SRL	113,705	259,458
Qiw-M SRL	12,953	34,815
INCASO SRL	1,470	111,253
IS POSTA MOLDOVEI	166,974	97,425
BPAY SRL	42,913	57,055
Other short term receivables	128,608	107,546
	<b>614,514</b>	<b>756,877</b>

Receipts on behalf of "Aventus Finance" SRL are recorded on this account.

**11. CURRENT ANTICIPATED EXPENSES**

*Deffered expenses (details):*

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Subscription to specialist periodicals	1,999	1,799
JivoChat license		197
Car insurance	25,682	
Dropbox license		30
AmCham member contribution	1,011	1,293
Domain registration aventus.md	1,075	941
Domain registration kredit7.md	796	346
Domain registration kredit365.md	75	

Domain registration automoney.md	43	
Blanks	291	42
	<b>30,972</b>	<b>4,648</b>

## 12. CURRENT FINANCIAL INVESTMENTS - GRANTED LOANS

The main activity of the company is to grant consumer loans and other loans for personal reasons to individuals (residents).

	2021		2020	
	Number of contracts	MDL	Number of contracts	MDL
Short term loans	12,102	69,276,831	10,107	38,673,529
	<b>12,102</b>	<b>69,276,831</b>	<b>10,107</b>	<b>38,673,529</b>

The portfolio of granted loans increased by 79% in comparison with last year, or with 30,603 KMDL.

	2021 MDL	2020 MDL
Short term loans	69,276,831	38,673,529
Provision short term loans	(10,002,222)	(9,068,883)
<b>Net balance short term loans</b>	<b>59,274,609</b>	<b>29,604,646</b>

### Classification of overdue payments

Overdues	2021		2020	
	Portfolio MDL	Share %	Portfolio MDL	Share %
Standard	48,472,791	70%	20,196,434	52%
Supervised	7,408,694	11%	4,652,794	12%
Sub-standard	6,117,374	9%	5,356,975	14%
Doubtful	1,127,133	2%	4,105,258	11%
Compromised	6,150,839	9%	4,362,068	11%
<b>Total</b>	<b>69,276,831</b>	<b>100%</b>	<b>38,673,529</b>	<b>100%</b>

As per above table, the share of standard loans increased both in absolute value and in % share. The relative value increased by 18%: from 52% of the total portfolio until scrapping in 2020 to 70% in 2021.

### Impairment provisions (details)

Calculated provisions represent impairment provisions related to granted loans portfolio.

2021			
Overdues	Granted loans portfolio	% Impairment provision	Impairment provision
Standard	48,472,791	2%	969,456
Supervised	7,408,694	5%	370,435



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Sub-standard	6,117,374	30%	1,835,212
Doubtful	1,127,133	60%	676,280
Compromised	6,150,839	100%	6,150,839
	<b>69,276,831</b>		<b>10,002,222</b>
Write-offs (loans)	9,559,810		
Balance impairment provisions	10,002,222		

**2020**

Overdues	Granted loans portfolio	% Impairment provision	Impairment provision
Standard	20,196,434	2%	366,520
Supervised	4,652,794	5%	270,672
Sub-standard	5,356,975	30%	434,692
Doubtful	4,105,258	60%	621,651
Compromised	4,362,068	100%	559,089
	<b>38,673,529</b>		<b>2,252,624</b>
Write-offs (loans)	4,670,354		
Balance impairment provisions	9,068,883		

<i>Impairment provisions</i>	<b>2021</b>	<b>2020</b>
Balance at 1 <sup>st</sup> of January	9,068,883	2,252,624
Write-offs	9,559,810	4,670,354
Annual expenses	11,115,791	11,491,728
Cancel provision	1,211,281	5,115
Recovery	588,639	
<b>Balance at 31<sup>st</sup> of December</b>	<b>10,002,222</b>	<b>9,068,883</b>

**13. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Current accounts	725,392	376,652
Current accounts in foreign currencies	904,221	718,305
Bank deposits	91	91
Business card	71,170	172,543
Account Paynet		999
	<b>1,700,874</b>	<b>1,268,590</b>

*Current accounts (details)*

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
BC Moldova Agoindbank SA	480,405	154,168
BC Victoriabank SA	121,531	27,128
BC Moldindconbank SA	123,456	195,356
	<b>725,392</b>	<b>376,652</b>

*Current accounts in foreign currencies (details)*

		2021		2020
	Foreign	MDL	Foreign	MDL
	Currency		Currency	
BC Moldova Agoindbank SA (EUR)	45,000	904,221	34,000	718,305
		<b>904,221</b>		<b>718,305</b>

*Bank deposits (details)*

	2021	2020
	MDL	MDL
BC Moldova Agoindbank SA	91	91
	<b>91</b>	<b>91</b>

**14. SHARE CAPITAL AND ADDITIONAL CAPITAL**

At 31 of December 2021, share capital constitutes 2,500,000 MDL and additional capital constitutes 120,981 MDL.

**Structure of shareholders**

Name of shareholder	As of		As of	
	31 December 2021		31 December 2020	
	Share of capital		Share of capital	
	MDL	%	MDL	%
UAB Aldega	2,500,000	100	2,500,000	100
<b>Total</b>	<b>2,500,000</b>	<b>100</b>	<b>2,500,000</b>	<b>100</b>

**15. LONG-TERM LOANS RECEIVED FROM THE FOUNDERS**

	Foreign	2021	2020
	Currency	MDL	MDL
Long term loans UAB Aldega	EUR	57,367,799	
		<b>57,367,799</b>	<b>0</b>

N.C.O. "Aventus Finance" SRL has obtained loans from founders:

Loan granted by UAB Aldega, interest rate 17,7% and maturity 31.12.2024 – agreement nr. 1 from 01.02.2019. The outstanding at 31.12.2021 constitutes 2,855 KEUR.

**16. LONG-TERM TRADE DEBTS**

	2021	2020
	MDL	MDL
OCN BT LEASING MD SRL	421,477	0
	<b>421,477</b>	<b>0</b>

In 2021, the company acquired under financial leasing a car LEXUS NX300H.

**17. SHORT-TERM LOANS RECEIVED FROM THE FOUNDERS**

	Foreign Currency	2021 MDL	2020 MDL
Short term loans UAB Aldega	EUR		34,119,459
Interest loans UAB Aldega	EUR	811,597	469,919
		<b>811,597</b>	<b>34,589,378</b>

**18. CURRENT COMMERCIAL DEBTS**

	2021 MDL	2020 MDL
Trade payables (in country)	471,084	292,198
Trade payables (abroad)	396,853	2,635
	<b>867,937</b>	<b>294,833</b>

**19. LIABILITIES TOWARDS EMPLOYEES**

	2021 MDL	2020 MDL
Liabilities towards employees (salaries)*	570,359	424,962
Liabilities towards advance holders	961	59
	<b>571,320</b>	<b>425,021</b>

\*The outstanding represents the liabilities towards employees for salaries. The payments were made on 03.01.2021.

**20. SOCIAL AND MEDICAL INSURANCE DEBTS**

	2021 MDL	2020 MDL
Social security contributions paid by employer	140,836	76,540
Individual social security contributions		25,513
Premiums for compulsory health insurance	1,684	
	<b>142,520</b>	<b>102,053</b>

**21. DEBTS TO THE BUDGET**

	2021 MDL	2020 MDL
Income tax from business activity	203,133	
Income tax from salaries	2,127.71	240
Withholding taxes	243.23	
VAT	180,498	100,981
Taxes for country planning	665	1,555
	<b>386,667</b>	<b>102,776</b>

**22. OTHER CURRENT DEBTS**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Preliminary debts for premiums for compulsory health insurance		19,135
Liabilities related to loans overpayment	212,297	117,429
Other short term liabilities	17,320	9,669
	<b>229,617</b>	<b>146,233</b>

**23. CURRENT PROVISIONS**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Current provisions for unused vacation	472,829	373,050
	<b>472,829</b>	<b>373,050</b>

**24. SALES INCOME**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Interest income	15,298,224	6,137,432
Commission income	41,160,933	30,187,050
	<b>56,459,157</b>	<b>36,324,482</b>

**25. SALES COST**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Salaries	7,400,840	3,298,762
Social security	1,348,196	591,482
Health insurance		148,118
Interest on loans	8,323,608	4,770,922
Commission for electronic payments	144,036	994,141
Information services BIC	885,993	729,773
Debt collection services	289,473	689,539
Rent expense	1,773,124	682,562
Cash receipt fees		337,659
Credit granting services	239,388	
Repair services of rented spaces	202,163	
Other services	410,244	333,080
Other expenses	268,038	17,257
	<b>21,285,103</b>	<b>12,593,295</b>

**26. OTHER INCOME FROM OPERATIONAL ACTIVITY**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Income from penalties	8,449,576	7,963,090
Reversal of provision	630,736	121,002
Revenue from sales of written off portfolio	1,427,468	
Revenue from recovery of written off debt	386,591	
Other revenues	630,736	30,876
	<b>10,894,371</b>	<b>8,114,968</b>



**27. DISRIBUTION EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Salaries	682,827	453,588
Social security	161,909	81,090
Health insurance		20,533
Depreciation (fixed assets)	1,775	1,775
Advertising	4,130,667	3,105,805
Service Facebook	2,802,598	1,927,825
Service Google	3,859,008	2,541,117
Service Yandex	402,991	94,789
Marketing services		6,509
Promotional campaigns		126,122
Other commercial expenses	92,148	33,953
	<b>12,195,283</b>	<b>8,579,370</b>

**28. ADMINISTRATIVE COST**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Salaries	3,327,017	2,635,264
Social security	806,895	512,637
Health insurance		80,154
Depreciation (fixed assets)	292,902	208,420
Amortization (intangible assets)	3,823	5,479
Low value and short useful life objects	351,565	370,992
AmCham member contribution	30,250	30,499
Communication	215,661	197,620
Bank commission	155,587	117,212
Representative expenses	91,379	10,780
Travel expenses	81,255	49,931
Accounting services		28,000
Expenses related to fixed assets reparation and	20,959	49,320
Material costs	184,367	32,283
Utilities	33,543	41,599
Taxes and duties	11,393	5,185
Regulatory payment for running costs	55,377	33,815
Training services	8,141	154,663
Rent expense	808,574	850,987
Audit fees	40,000	40,000
SMS-Advertising	366,408	269,442
Software license lease	50,734	293,412
IT development	5,633,883	
Expenses related to agreement with Holding	388,323	
Leasing expenses	18,750	
IT maintenance services	61,846	
Sponsorship	68,000	
Provisions for unused vacation	472,829	373,050
Other services	210,207	253,311
Other expenses	593,735	170,377

<b>Total</b>	<b>14,383,403</b>	<b>6,814,432</b>
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**29. OTHER EXPENSES FROM OPERATIONAL ACTIVITY**

	<b>2021</b>	<b>2020</b>
	<b>MDL</b>	<b>MDL</b>
Expenses related to provisions for loans	11,115,791	11,491,728
Expenses related to provisions for interest	994,303	1,182,752
Expenses related to provisions for commission	2,529,688	3,663,945
Expenses related to events	182,594	
Foreign exchange loss	198,728	206,445
Other expenses	231,806	234,556
	<b>15,252,910</b>	<b>16,779,426</b>

**30. REVENUES AND EXPENSES FROM OTHER ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>MDL'000</b>	<b>MDL'000</b>
<i>Revenues from financing activity</i>		
Interest income		15
Revenues from FX fluctuations	4,769,806	1,190,802
<i>Expenses from financing activity</i>		
Losses from FX fluctuations	(2,135,538)	(3,782,140)
<b>Result from other activities</b>	<b>2,634,268</b>	<b>(2,591,323)</b>

**31. INCOME TAX EXPENSES**

The tax rate in force in 2021 was 12% (2020: 12%).

The reconciliation of income tax expenses reflected in the financial statements and the amounts calculated at the standard rate of income tax is as follows:

	<b>2021</b>	<b>2020</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Profit before tax	6,880,757	(2,918,396)
At statutory income tax rate of 12%	825,691	
Income tax calculated from adjusted revenues for tax purposes	(44,766)	
Income tax calculated from adjusted expenses for tax purposes	122,012	
Losses carried forward	287,364	
Facilities granted as exemption for tax	14,315	
<b>Total Income tax expense</b>	<b>601,257</b>	<b>0</b>

### 32. RELATED PARTIES

During 2021, a number of transactions were entered with related parties in the normal course of business of "Aventus Finance" SRL. These transactions comprise receipts of loans, payments of dividends, purchase of services from related parties and others.

In the table below, the transactions and the balances with related parties at the end of the year:

Nr.	Name of related party	Type of affiliation	Nature of transaction	Volume of transaction		Balance at 31.12.2021	
				Nominal	Equivalent	Nominal	Echivalent
1	UAB ALDEGA	Founder 100%	Received loan	1,240,000 EUR	25,834,969	2,855,000 EUR	57,367,799
			Loan paid	0	0		
			Interest for loan	399,140 EUR	8,323,608	40,390 EUR	811,597
			Dividends	0	0		
2	Director	Administrator	Car leasing	242,000	242,000		
			Salary and bonus	790,442	790,442	80,000	80,000

Related party	Remuneration	Dividends	Rent	Interests	Total
	MDL	MDL	MDL	MDL	MDL
Shareholders		0		8,323,608	8,323,608
Director	790,442		242,000		1,032,442
<b>Total</b>	<b>790,442</b>	<b>0</b>	<b>242,000</b>	<b>8,323,608</b>	<b>9,356,050</b>

#### Directors' remuneration

Executive management was paid in 2021 in total amount of 790,4425 MDL.



### 33. SUBSEQUENT EVENTS

Taking into consideration that at the date of approval of these Financial Statements, the present degree of uncertainty and unpredictable evolution of Covid pandemic, along with Government intervention measures and regulations necessary during this period remains high.

At the date the financial statements are authorized for the issue no adjusting events occurred that that *may* materially *affect* the *financial statements*.

### 34. BUSINESS CONTINUITY

The present financial statements were made in compliance with business continuity principle that implies the company continues normally its activity in the predictable future, without the intention of liquidation, of suspension of activity or of searching protection against creditors according legislation.

Therefore, the assets and liabilities are registered following the principle that the company will be able to realize its assets and to honor its obligations during its normal activity.

### 35. FINANCIAL RISKS ENCOUNTERED BY THE COMPANY

In 2021 and in the perspective of 2021, the company was and may be exposed to the following financial risks:

#### a) Market risk comprises three types of risk:

##### - *Currency risk*

Currency risk is the risk of losses which appears as consequence of modification of exchange rate.

The amounts of monetary assets and liabilities held in MDL and other main currencies are presented in the table below:

	31 <sup>st</sup> of December 2021			
	Total MDL	MDL MDL	EUR MDL	USD MDL
<b>ASSETS</b>				
Intangible assets, net	51,129	51,129		
Tangible assets, net	1,168,087	1,168,087		
Long term financial assets	154,489	154,489		
Inventories	133,697	133,697		
Receivables	5,255,643	5,255,405	238	
Short term investments	59,274,609	59,274,609		
Cash and cash equivalents	1,700,874	796,653	904,221	0
Other short term assets	30,972	30,972		
<b>Total assets</b>	<b>67,769,500</b>	<b>66,865,041</b>	<b>904,459</b>	<b>0</b>
<b>LIABILITIES</b>				
Long term financial liabilities	57,789,276	421,477	57,367,799	0
Short term financial liabilities	811,597	0	811,597	0
Trade payables	867,937	471,084	396,853	
Liabilities towards employees	571,320	571,320		
Liabilities for social security	142,520	142,520		
Liabilities towards the budget	386,640	386,640		
Other calculated liabilities	229,617	229,617		
<b>Total liabilities</b>	<b>60,798,906</b>	<b>2,222,658</b>	<b>58,576,249</b>	<b>0</b>

<b>Net position</b>	<b>6,970,594</b>	<b>64,642,383</b>	<b>(57,671,790)</b>	<b>0</b>
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As you can see from the table above, assets and liabilities in currency aren't balanced. By consequence, there is a risk to generate losses from drop of exchange rate. During the financial year 2021, this risk had a positive impact – expenses from FX fluctuations are lower than revenues from FX fluctuations.

*- Interest rate risk*

The interest rate risk appears in case of interest rate fluctuations on the market that have negative impact on company's results. The company's operations are subject to risk of interest rate fluctuations to the extent that interest earning assets and interest bearing liabilities mature at different times or in different amounts. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the company's business strategies. Therefore, the period with stable interest rate for a financial instrument indicates the sensitivity to interest rate risk. Taking into account that the company has loans and credits with interest rates, this risk had positive impact recording interest incomes more than interest expenses.

*- Price risk*

Price risk is the risk that changes in market prices, will affect the value of company's holdings, even if the changes are caused by specific national and international factors.

Assets value can vary due to market fluctuations and the objective is to manage the risk separately for each type of asset:

- For tangible assets, this risk is mitigated in case the company has no intention to sell the assets.
- For inventories and services, this risk isn't significant.

**b) Credit risk**

Credit risk denotes the probability of incurring losses as the debtor could not meet contractual clauses. The company is exposed to credit risk if 5% from its loan portfolio has registered arrears higher than 90 days.

**c) Liquidity risk**

Liquidity risk is the risk of losses in case of company's difficulty in meeting obligations at the maturity. As presented below, the analysis of liquidity indicators allows concluding that "Aventus Finance" SRL isn't exposed to liquidity risk.

<b>Liquidity indicators</b>	<b>2020</b>	<b>2021</b>	<b>Recommended value</b>
	<b>MDL</b>	<b>MDL</b>	
Treasury assets (cash on hand)	1,268,590	1,700,874	
Current assets	35,669,195	66,395,795	
Inventories	183,873	133,697	
Current liabilities	35,660,295	3,009,630	
<b>Cash ratio</b>			
(Treasury assets /Current liabilities)	<b>0.04</b>	<b>0.57</b>	>0.2
<b>Quick ratio - acid-test ratio</b>			
(Current assets -Inventories/ Current liabilities)	<b>1.00</b>	<b>22.02</b>	>1
<b>Current ratio</b>			
(Current assets/Current liabilities)	<b>1.00</b>	<b>22.06</b>	1.5-2

**d) Operational risk**

The company has a good business management framework, which includes a clear organizational structure with well-defined responsibilities, transparent and consistent, effective procedures of identification, management, monitoring and reporting of risks and adequate internal control, which includes administrative and accounting procedures.

**Profitability indicators**

	<b>2020</b>	<b>2021</b>
	<b>MDL</b>	<b>MDL</b>
Revenues	36,324,482	56,459,157
Net profit	(2,918,396)	6,279,500
Gross profit	23,731,186	35,174,054
Total operating expenses	44,766,523	63,116,699
Total assets	36,266,428	67,769,500
Equity	233,084	6,497,737
<b>Gross margin</b>		
(Gross profit / revenues*100%)	<b>65%</b>	<b>62%</b>
<b>General profitability ratio</b>		
(Net profit / Total operating expenses*100%)	<b>-7%</b>	<b>10%</b>
<b>Return on assets (ROA)</b>		
(Net Profit / Total assets*100%)	<b>-8%</b>	<b>9%</b>
<b>Return on equity (ROE)</b>		
(Net Profit / Equity*100%)	<b>-1252%</b>	<b>97%</b>
<b>Economic profitability ratio</b>		
(Gross profit/Total Assets*100%)	<b>65%</b>	<b>52%</b>

**Other indicators**

	<b>2020</b>	<b>2021</b>
	<b>MDL</b>	<b>MDL</b>
Revenues	36,324,482	56,459,157
Fixed assets	597,233	1,373,704
Total assets	36,266,428	67,769,500
Equity	233,084	6,497,737
Long term capital		
(Equity + Long term liabilities)	233,084	64,287,014
Current liabilities	35,660,295	3,009,657
Total debts	35,660,295	60,798,933
<b>Financial autonomy ratio</b>		
(Equity /Long term capital)	<b>1.00</b>	<b>0.10</b>
<b>Solvency rate</b>		
(Total assets/Current liabilities)	<b>1.02</b>	<b>22.52</b>
<b>Rate of overall indebtedness</b>		
(Current liabilities/Total assets)	<b>0.98</b>	<b>0.04</b>
<b>Financial leverage</b>		
(Total debts/Equity)	<b>152.99</b>	<b>9.36</b>



<i>Fixed assets turnover ratio</i>		
(Revenues/Fixed assets)	<i>60.82</i>	<i>41.10</i>
<i>Total assets turnover ratio</i>		
(Revenues/Total Assets )	<i>1.00</i>	<i>0.83</i>

### **36. THE ACTIVITY OF PREVENTION AND COMBATING MONEY LAUNDERING AND TERRORIST FINANCING**

The activity of prevention and combating money laundering and terrorist financing at "Aventus Finance" LLC is organized in strict conformity with the national regulatory acts, international experience in this sphere, as well as the practice existing in the Republic of Moldova. Being aware of the importance of preventing and combating money laundering and terrorist financing, the company takes all the necessary measures on ensuring the implementation of the principles of prevention and combating money laundering and terrorist financing in the daily actions at all levels of activity.

To protect itself against the risk of money laundering and terrorist financing, the internal regulatory acts on the prevention and combating money laundering and terrorist financing are updated pursuant to the last amendments to the Law No. 308 dated December 22, 2017 on prevention and combating money laundering and terrorist financing, the Regulation of the National Commission for Financial Markets on activity of microfinance organizations regarding prevention and combating money laundering and terrorist financing dated August 04, 2011, as well as to the conventions, agreements of the international organizations (MoneyVal Committee, Financial Action Task Force (FATF), International Monetary Fund, World Bank). The emphasis is permanently placed on the analytical approach in this activity, the customer identification measures, as well as the accumulation of the necessary information in accordance with the legislation in force. The procedures of control of the risks associated with the money laundering and terrorist financing are applied depending on the level and the category of the customers. Thus, the company identifies, evaluates and treats the exposure to the risks associated to the customers in order to prevent its involvement in illegal transactions. Following the purpose above, were applied procedures of attribution of risk degree to each customer, in order to optimize the processes of management of the risks related to the involvement of the company in the processes of money laundering and terrorist financing, at ensuring the reasonability and commensurateness of the measures taken for the risk minimalization.

At the same time, all necessary actions are taken in order to achieve high financial results, increase sales and attract new customers, while executing the provisions of the current legislation.

The management of the company organizes carrying out of the activity of money laundering prevention, ensures the personnel training on issues of money laundering prevention, maintains correspondence with the organizations involved in this process as well as performs development of the drafts of the internal regulatory acts for the purpose of efficient ongoing of the process related to money laundering counterattacking means.