

Financial Statements 2023

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

**Financial statements
For the year ended at 31 December 2023**

In accordance with National Standards of Accounting

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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, 2023, 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 :

20 th of March 2024

Made by:

Audit company "Manager Audit" SRL

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

Auditor, **Schendra Nina**

Qualification certificate of the auditor AG 000001



N.C.O. "AVENTUS FINANCE" S.R.L.

BALANCE SHEET

At 31 Decembre 2023

BALANCE SHEET AT 31.12.2023

No.	Indicators	Note	2022	2023
A.	FIXED ASSETS			
	I. Intangible assets			
	1. Intangible assets under execution			
	2. Intangible assets in exploitation, total	4	31,158	11,188
	of which:			
	2.1. concessions, licenses and trademarks	4	4,457	4,337
	2.2. copyright and protection titles			
	2.3. computer programs	4	5,040	2,520
	2.4. other intangible assets	4	21,661	4,331
	3. Goodwill			
	4. Advance payments for intangible assets			
	Total intangible assets		31,158	11,188
	II. Tangible assets			
	1. Tangible assets under execution		0	0
	2. Lands			
	3. Fixed assets, total	5	1,340,235	1,125,575
	of which:			
	3.1. buildings			
	3.2. special constructions			
	3.3. machines, machinery and technical installations	5	236,668	296,217
	3.4. means of transport	5	864,460	683,757
	3.5. inventory and furniture			
	3.6. other fixed means	5	239,107	145,601
	4. Mineral resources			
	5. Immobilized biological assets			
	6. Real estate investments			
	7. Advances granted for property, plant and equipment			
	Total tangible assets		1,340,235	1,125,575
	III. Long-term financial investments			
	1. Long-term financial investments in unaffiliated parties	11	67,062,868	120,832,352
	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			
	Total long-term investments (row140 + row150)		67,062,868	120,832,352
	IV. Long-term receivables and other fixed assets			
	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 2023

	including: receivables related to participation interests			
	3. Other long-term receivables	6	235,395	184,893
	4. Long-term anticipated expenses			
	5. Other fixed assets			
	Total long-term receivables and other fixed assets		235,395	184,893
	TOTAL FIXED ASSETS		68,669,656	122,154,008
B.	CIRCULATING ASSETS			
	I. Inventory			
	1. Materials and objects of small value and short duration	7	165,210	170,969
	2. Current biological assets			
	2. Production in progress			
	3. Products and goods			
	4. Advances granted for stocks	7	9,124	7,486
	Total Inventory		174,334	178,455
	II. Current receivables and other current assets			
	1. Current trade receivables		0	0
	2. Receivables of current affiliates			
	including: receivables related to participation interests			
	3. Budget receivables	8	5,150	77
	4. Employee receivables		0	0
	5. Other current receivables	9	7,232,846	8,377,230
	6. Current anticipated expenses	10	53,363	69,501
	7. Other circulating assets			
	Total current receivables and other current assets		7,291,359	8,446,808
	III. Current financial investments			
	1. Current financial investments in unaffiliated parties	11	48,177,379	35,616,700
	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			
	Total current financial investments		48,177,379	35,616,700
	IV. Cash and money documents	12	1,230,713	1,165,852
	TOTAL CIRCULATING ASSETS		56,873,785	45,407,816
	TOTAL ASSETS		125,543,441	167,561,824
C.	OWN CAPITAL			
	I. Social and unregistered capital			
	1. Social capital	13	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 2023

	5. Patrimony received from the state with property right			
	Total social and unregistered capital		2,500,000	2,500,000
	II. Capital premiums		120,981	120,981
	III. Reserves			
	1. Reserve capital			
	2. Statutory reserves	14	500,000	500,000
	3. Other reserves			
	Total reserves		500,000	500,000
	IV. Profit (loss)			
	1. Corrections to the results of previous years		0	3,947
	2. Undistributed profit (uncovered loss) of previous years		14,853,001	14,853,001
	3. Net profit (net loss) of the management period			23,246,672
	4. Profit used during the management period		()	()
	Total profit (loss)		14,853,001	38,103,620
	V. Revaluation reserves			
	VI. Other own capital elements			
	TOTAL OWN CAPITAL		17,973,982	41,224,601
D.	LONG-TERM DEBTS			
	1. Long-term bank loans			
	2. Long-term loans	15	102,609,272	120,015,880
	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		0	0
	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			
	TOTAL LONG-TERM DEBTS		102,609,272	120,015,880
E.	CURRENT DEBTS			
	1. Short-term bank loans			
	2. Short-term loans, total	16	1,446,855	1,664,591
	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	17	989,054	1,527,650
	4. Current debts to affiliate parties			
	including: debts related to participation interests			
	5. Current advances received			
	6. Liabilities towards employees	18	722,208	776,607
	7. Social and medical insurance debts	19	183,474	219,506

N.C.O. "AVENTUS FINANCE" S.R.L.

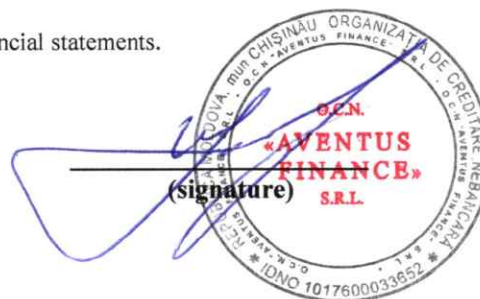
BALANCE SHEET

At 31 Decembe 2023

	8. Debts to the budget	20	591,737	883,094
	9. Debts to owners			
	10. Current anticipated income			
	11. Other current debts	21	356,894	450,106
	TOTAL CURRENT DEBTS		4,290,222	5,521,554
F.	PROVISIONS			
	1. Provisions for employee benefits	22	669,965	644,991
	2. Provisions for guarantees granted to buyers / customers			
	3. Provisions for taxes	22		154,798
	4. Other provisions			
	TOTAL PROVISIONS		669,965	799,789
	TOTAL LIABILITIES		125,543,441	167,561,824

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.

PROFIT AND LOSS ACCOUNT

For the year ended at 31 December 2023

PROFIT AND LOSS ACCOUNT

For the year 2023

Indicators	Note	2022	2023
Sales income, total	23	76,637,428	99,596,697
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	23	76,637,428	99,596,697
other sales revenue			
Sales cost, total	24	32,895,145	52,647,406
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	24	32,895,145	52,647,406
other sales costs			
Gross profit (gross loss) (rd.010 - rd.020)		43,742,283	46,949,291
Other income from operational activity	25	16,615,778	11,810,945
Distribution expenses	26	10,047,777	10,097,792
Administrative costs	27	13,687,141	10,371,321
Other expenses from operational activity	28	22,004,015	17,603,752
The result from the operationg activity: profit (loss)		14,619,128	20,687,371
Financial income, total	29	10,567,940	14,762,239
from which:			
income from participation interests			
including: revenues obtained from affiliated parties			
interest income			
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	29	10,567,940	14,762,239
Financial expenses, total	29	12,038,803	8,847,649

N.C.O. "AVENTUS FINANCE" S.R.L.
PROFIT AND LOSS ACCOUNT
For the year ended at 31 December 2023

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	29	12,038,803	8,847,649
Results: financial gross profit (gross loss)		(1,470,863)	5,914,590
Income with fixed and exceptional assets		0	0
Expenses with fixed and exceptional assets		0	0
The result from operations with fixed and exceptional assets: profit (loss)		0	0
The result of other activities: profit (loss)		(1,470,863)	5,914,590
Profit (loss) until taxation		13,148,265	26,601,961
Income tax expenses	30	1,672,020	3,355,289
Net profit (net loss) of the management period		11,476,245	23,246,672

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 2023

STATEMENT OF CHANGES IN EQUITY
For the year 2023

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	Statutory and additional capital					
	Social capital	10	2,500,000			2,500,000
	Additional capital	20	()	()	()	()
	Unspent capital	30				
	Unregistered capital	40	()	()	()	()
	Retired capital	50				
	Total statutory and additional capital (row 010 + row 020 + row 030 + row 040 + row 050)	60	2,500,000	0	0	2,500,000
2	Capital premiums	70	120,981			120,981
3	Reserves					
	Capital reserve	80				
	Statutory reserves	90	500,000	0		500,000
	Other reserves	100				
	Total reserves (row 070 + row 080 + row 090)	110	500,000	0	0	500,000
3	Retained earning (profit or loss)					
	Corrections to previous years results	120	x	3,947		3,947
	Non-distributed profit (loss not covered) of previous years	130	14,853,001			14,853,001
	Net profit (net loss) of the management period	140		23,246,672		23,246,672
	Profit used during the management period	150	x	()	()	
	Total retained earning (profit or loss) (row 120 + row 130 + row 140 + row 150)	160	14,853,001	23,250,619	0	38,103,620
4	Reserves from reevaluation	170				0
5	Other elements of own capital	180				0
	Total own capital (row 060 + row 070 + row 110 + row 160 + row 170 + row 180)	190	17,973,982	23,250,619	0	41,224,601

N.C.O. "AVENTUS FINANCE" S.R.L.

CASH FLOWS STATEMENT

For the year ended at 31 December 2023

CASH FLOWS STATEMENT

For the year 2023

Indicators	Row code	2022	2023
Cash flows from operational activity			
Proceeds from sales	10	85,821,702	99,390,662
Payments for stocks and services purchased	20	21,195,507	9,609,148
Payments to employees and social and health insurance bodies	30	17,129,698	19,045,176
Interests paid	40	12,122,766	17,550,239
Payment of income tax	50	1,503,133	2,600,000
Other proceeds	60	237,652,874	477,441,619
Other payments	70	315,186,409	550,986,568
The net cash flow from the operational activity (row 010 – row 020 – row 030 – row 040 – row 050 + row 060 – row 070)	80	(43,662,936)	(22,958,850)
Cash flows from investment activity			
Proceeds from the sale of fixed assets	90	12,000	
Payments for inflows of fixed assets	100	632,761	235,964
Interests collected	110		0
Dividends collected	120		0
including: foreign dividends collected	121		
Other proceeds (payments)	130		
The net cash flow from the investment activity (row 090 – row 100 + row 110 + row 120 ± row 130)	140	(620,761)	(235,964)
Cash flows from financial activity			
Proceeds in the form of loans and credit	150	48,541,442	31,536,740
Payments related to repayment of loans and credit	160	4,751,005	8,324,284
Dividends paid	170		
including: dividends paid to foreigners	171		
Proceeds from capital operations	180		
Other proceeds (payments)	190		
Net cash flow from financial activity (row 150 – row 160 – row 170 + row 180 ± row 190)	200	43,790,437	23,212,456
Total net cash flow (± row 080 ± row 140 ± row 200)	210	(493,260)	17,642
Favorable (unfavorable) exchange rate differences	220	23,099	(82,503)
Cash balance at the beginning of the management period	230	1,700,874	1,230,713
Cash balance at the end of the management period (± row 210 ± row 220 + row 230)	240	1,230,713	1,165,852

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 16.03.2018 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 (412.7 sq.m.) for its main office, which is situated in mun. Chisinau, Lev Tolstoi street, 64.

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

For 2023, 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 2023, the company has 75 employees.

In 2023, the Law no. 1/2018 regarding non-bank lending organizations was changed. Thus in case of credit granting to consumers, interest is limited up to 50%, and all other related payments (commissions, taxes, penalties, late interest and any other type of payment) are limited up to 0.04% of the total value of the loan. By consequence, in case of non-bank loans/financial leasings that are on going at 29/05/2022, OCN will recalculate the receivables (interest and other related payments) to be collected starting with 29/07/2022 according to the aforementioned provisions.

In addition, it was established that the total cost of the loan (which includes interest, commissions, taxes, penalties, late interest and any other type of payment) cannot be higher than the disbursed amount according to the respective contract.

On 20.05.2022 by NCFM Decision No. 20/5 the Regulation on responsible lending requirements applied to non-bank credit organizations was approved. The indicator DSIR (Debt Service to Income Ratio) that applies to all consumer loans has been included. So the creditor is obliged to obtain the credit reports related to the respective consumer from all functional credit bureaus, including through the exchange of information between them, which contain the information necessary to calculate the DSIR indicator. This indicator must not exceed 40 percent.

In case of violation of the provisions regarding the maximum allowed level of the DSIR established according to this Regulation, the creditor has the right to request only the return of the initial amount, disbursed according to the credit contract, without claiming other payments stipulated in the contract (interest, commissions, taxes, penalties, delay and any other type of payments). This Regulation entered into force on September 1, 2022.

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.

N.C.O. “AVENTUS FINANCE” S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2023

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 reevaluations.

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:

	2023		2022	
	USD	EUR	USD	EUR
Average of the period	18.1607	19.6431	18.9032	19.8982
End of year	17.4062	19.3574	19.1579	20.3792

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 intial 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:

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

Each tangible asset with value higher than 12 000 MDL and an estimated useful life higher than 1 year is capitalized. Thus, tangible asset with cost of acquisition less than 12 000 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:

Intangible assets	Useful life (years)
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 16.12.2019, 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 12000 MDL, but higher than 2000 MDL, the depreciation is calculated as 100% at the date of operation. Objects with unit prices less than 2000 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:

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- 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 2023 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 2023 are presented in the table below:

	Software	Trade-mark	Other Intangible assets	Total
	MDL	MDL	MDL	MDL
Cost				
Balance at 1 January 2023	19,838	4,817	51,990	76,645
Acquisition	0	0	0	0
Transfers				0
Disposal				0
Balance at 31 December 2023	19,838	4,817	51,990	76,645
Cumulated amortization				
Balance at 1 January 2023	14,798	360	30,329	45,487
Charge for the year	2520	120.48	17329.98	19970.46
Disposals				0
Balance at 31 December 2023	17,318	480	47,659	65,457
Carrying amount				
At 31 December 2023	2,520	4,337	4,331	11,188
At 31 December 2022	5,040	4,457	21,661	31,158

The movements of intangible assets during the year ended to 31 of December 2022 are presented in the table below:

	Software	Trade-mark	Other Intangible assets	Total
	MDL	MDL	MDL	MDL
Cost				
Balance at 1 January 2022	19,838	4,817	51,990	76,645
Acquisition	0	0		0
Transfers				0
Disposal				0
Balance at 31 December 2022	19,838	4,817	51,990	76,645
Cumulated amortization				0
Balance at 1 January 2022	12,278	240	12,998	25,516
Charge for the year	2,520	120	17331	19,971
Disposals		0		0
Balance at 31 December 2022	14,798	360	30,329	45,487
Carrying amount				
At 31 December 2022	5,040	4,457	21,661	31,158
At 31 December 2021	7,560	4,577	38,992	51,129

5. TANGIBLE ASSETS

	IT equipments		Vehicles		Other assets		Assets in progress		Total	
	MDL		MDL		MDL		MDL		MDL	
Cost										
Balance at 1 January 2023	752,445		1,017,483		639,297		0		2,409,225	
Acquisition	215,014		0		13,850		22,400		251,264	
Transfers							22,400		22,400	
Disposal							0		0	
Balance at 31 December 2023	967,459		1,017,483		653,147		0		2,638,089	
Cumulated depreciation										
Balance at 1 January 2023	515,777		153,023		400,190		0		1,068,990	
Charge for the year	162,565		180,703		107,356		0		450,624	
Disposals	7,100								7,100	
Balance at 31 December 2023	671,242		333,726		507,546		0		1,512,514	
Carrying amount										
At 31 December 2023	296,217		683,757		145,601		0		1,125,575	
At 31 December 2022	236,668		864,460		239,107		0		1,340,235	

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The movements of tangible assets during the year ended to 31 of December 2022 are presented in the table below:

	IT equipments		Vehicles		Other assets		Assets in progress		Total	
	MDL		MDL		MDL		MDL		MDL	
Cost										
Balance at 1 January 2022	658,056		618,588		499,820		8,850		1,785,314	
Acquisition	94,389		398,895		139,477		414,195		1,046,956	
Transfers							423,045		423,045	
Disposal										0
Balance at 31 December 2022	752,445		1,017,483		639,297		0		2,409,225	
Cumulated depreciation										
Balance at 1 January 2022	323,497		10,310		283,420		0		617,227	
Charge for the year	192,280		142,713		116,770				451,763	
Disposals										0
Balance at 31 December 2022	515,777		153,023		400,190		0		1,068,990	
Carrying amount										
At 31 December 2022	236,668		864,460		239,107		0		1,340,235	
At 31 December 2021	334,559		608,278		216,400		8,850		1,168,087	

6. **OTHER LONG-TERM RECEIVABLES**

	2023	2022
	MDL	MDL
Deposit guarantees for leasing contracts	183,643	233,345
Other advances	1,250	2,050
	184,893	235,395

7. **INVENTORY**

	2023	2022
	MDL	MDL
Marketing materials	20,553	41,605
Fuel	1,263	
Other inventory	17,965	1,826
Low value and short useful life objects	131,188	121,779
Advances granted for stocks	7,486	9,124
	178,455	174,334

8. **BUDGET RECEIVABLES**

	2023	2022
	MDL	MDL
VAT		4,789
Withholding taxes	4	99
Taxes for country planning	73	262
	77	5,150

9. **OTHER CURRENT RECEIVABLES**

	2023	2022
	MDL	MDL
Receivables related to calculated income	4,793,442	4,963,738
Receivables partners for incoming payments	2,308,581	1,426,856
Receivables related to granted loans	113,446	48,900
Judicial expenses	1,138,700	721,337
Other short-term receivables	677	677
Short term advances (for services in country)	22,384	71,338
	8,377,230	7,232,846

Receivables related to calculated income (details)

	2023	2022
	MDL	MDL
Accrued Interest receivable	3,620,793	2,984,660
Accrued Commissions on loans	1,763,042	4,098,914
Provision for Accrued Interest receivable	(525,984)	(822,863)
Provisions for commissions on loans	(178,340)	(1,471,706)
Financial services commissions	113,931	174,733
	4,793,442	4,963,738

Provisions related to interest on loans (details)

Calculated provisions represent impairment provisions related to interest on loans.

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2023			
Overdues	Interest	%	Provision
Standard	2,206,969	2%	44,140
Supervised	627,385	5%	31,369
Sub-standard	381,939	30%	114,582
Doubtful	171,516	60%	102,909
Compromised	232,984	100%	232,984
	3,620,793		525,984
Balance impairment provisions	525,984		

2022			
Overdues	Interest	%	Provision
Standard	1,457,004	2%	29,139
Supervised	401,920	5%	20,096
Sub-standard	404,769	30%	121,431
Doubtful	171,925	60%	103,155
Compromised	549,042	100%	549,042
	2,984,660		822,863
Balance impairment provisions	822,863		

Impairment provisions	2023	2022
Balance at 1 st of January	822,863	832,502
Write-offs	835,033	475,039
Annual expenses	727,918	578,319
Cancel provision	289,042	232,120
Recovery	99,278	119,201
Balance at 31st of December	525,984	822,863

Provisions related to commission on loans (details)

Calculated provisions represent impairment provisions related to commission on loans.

2023			
Overdues	Interest	%	Provision
Standard	1,158,256	2%	23,166
Supervised	293,725	5%	14,686
Sub-standard	229,543	30%	68,863
Doubtful	24,732	60%	14,839
Compromised	56,786	100%	56,786
	1,763,042		178,340
Balance impairment provisions	178,340		

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2022			
Overdues	Interest	% provision	Provision
Standard	1,775,741	2%	35,515
Supervised	524,430	5%	26,222
Sub-standard	461,045	30%	138,313
Doubtful	165,105	60%	99,063
Compromised	1,172,593	100%	1,172,593
	4,098,914		1,471,706
Balance impairment provisions	1,471,706		

<i>Impairment provisions</i>	2023	2022
Balance at 1 st of January	1,471,706	1,640,442
Write-offs	996,829	1,396,143
Annual expenses	265,000	1,680,859
Cancel provision	757,662	653,808
Recovery	196,125	200,356
Balance at 31st of December	178,340	1,471,706

Receivables partners for incoming payments (details)

	2023	2022
	MDL	MDL
Paymaster SRL	306,657	303,520
Paynet Services SRL	273,209	199,239
Qivi-M SRL	67,286	79,912
INCASO SRL	328,472	13,017
IS POSTA MOLDOVEI	226,462	114,008
BPAY SRL	107,331	140,334
Banks	999,164	576,826
	2,308,581	1,426,856

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

10. CURRENT ANTICIPATED EXPENSES

Deferred expenses (details):

	2023	2022
	MDL	MDL
Subscription to specialist periodicals	2,499	2,299
JivoChat license	20,334	15,053
Car insurance	32,758	32,012
Domain registration aventus.md	1,844	43
Domain registration credit7	2,011	455
Domain registration kredit7.md	1,702	353
Domain registration kredit365.md	1,845	945
Domain registration credit365.md	2,011	
Domain registration automoney.md	1,696	346
Domain registration collector.md	974	75

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AmCham member contribution	1,617	1,521
Blanks	210	261
	69,501	53,363

11. 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).

	2023		2022	
	Number of contracts	MDL	Number of contracts	MDL
Long term loans	9,114	125,773,169	6,549	73,778,662
Short term loans	7,186	38,554,513	10,178	54,855,144
	16,300	164,327,682	16,727	128,633,805

The portfolio of granted loans increased by 86% in comparison with last year, or with 59,657 KMDL.

	2023 MDL	2022 MDL
Long term loans	125,773,169	73,778,662
Provision long term loans	(4,940,817)	(6,715,794)
Net balance long term loans	120,832,352	67,062,868

	2023 MDL	2022 MDL
Short term loans	38,554,513	54,855,144
Provision short term loans	(2,937,813)	(6,677,765)
Net balance short term loans	35,616,700	48,177,379

Classification of overdue payments

Overdues	2023		2022	
	Portfolio MDL	Share %	Portfolio MDL	Share %
Standard	140,518,217	86%	99,404,607	77%
Supervised	13,863,232	8%	11,283,999	9%
Sub-standard	7,187,629	4%	9,056,386	7%
Doubtful	1,349,473	1%	1,911,155	1%
Compromised	1,409,131	1%	6,977,658	5%
Total	164,327,682	100%	128,633,805	100%

As per above table, the share of standard loans increased both in absolute value and in % share. The relative value increased by 9%: from 77% of the total portfolio until scrapping in 2022 to 86% in 2023.

Impairment provisions (details)

Calculated provisions represent impairment provisions related to granted loans portfolio.

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2023			
Overdues	Granted loans portfolio	% Impairment provision	Impairment provision
Standard	140,518,217	2%	2,810,363
Supervised	13,863,232	5%	693,162
Sub-standard	7,187,629	30%	2,156,289
Doubtful	1,349,473	60%	809,684
Compromised	1,409,131	100%	1,409,131
	164,327,682		7,878,629
Write-offs (loans)	16,051,825		
Balance impairment provisions	7,878,629		

2022			
Overdues	Granted loans portfolio	% Impairment provision	Impairment provision
Standard	99,404,607	2%	1,988,092
Supervised	11,283,999	5%	564,200
Sub-standard	9,056,386	30%	2,716,916
Doubtful	1,911,155	60%	1,146,693
Compromised	6,977,658	100%	6,977,658
	128,633,805		13,393,559
Write-offs (loans)	12,843,057		
Balance impairment provisions	13,393,559		

<i>Impairment provisions</i>	2023	2022
Balance at 1 st of January	13,393,559	10,002,222
Write-offs	16,051,825	12,843,057
Annual expenses	14,791,236	18,443,427
Assignment	4,254,341	2,023,952
Cancel provision	1,063,406	1,189,842
Recovery	1,063,407	1,004,761
Balance at 31st of December	7,878,630	13,393,559

12. CASH AND CASH EQUIVALENTS

	2023	2022
	MDL	MDL
Current accounts	1,107,950	1,110,940
Current accounts in foreign currencies		
Bank deposits	91	91
Business card	40,998	119,682
Account Paynet	16,813	
	1,165,852	1,230,713

Current accounts (details)

	2023	2022
	MDL	MDL
BC Moldova Agoindbank SA	455,134	726,775
BC Victoriabank SA	416,291	282,294

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BC Moldindconbank SA	236,525	101,871
	1,107,950	1,110,940

Bank deposits (details)

	2023	2022
	MDL	MDL
BC Moldova Agoindbank SA	91	91
	91	91

13. SHARE CAPITAL AND ADDITIONAL CAPITAL

At 31 of December 2023, 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 2023		31 December 2022	
	Share of capital		Share of capital	
	MDL	%	MDL	%
UAB Aldega	2,500,000	100	2,500,000	100
Total	2,500,000	100	2,500,000	100

14. RESERVES

	2023	2022
	MDL	MDL
Statutory reserves	500,000	500,000
	500,000	500,000

15. LONG-TERM LOANS RECEIVED FROM THE FOUNDERS

	Foreign	2023	2022
	Currency	MDL	MDL
Long term loans UAB Aldega	EUR	120,015,880	102,609,272
		120,015,880	102,609,272

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

Loan granted by UAB Aldega, interest rate 17,7% and maturity 31.12.2027 – agreement nr. 1 from 01.02.2019. The outstanding at 31.12.2023 constitutes 6,200 KEUR.

16. SHORT-TERM LOANS RECEIVED FROM THE FOUNDERS

	Foreign	2023	2022
	Currency	MDL	MDL
Interest loans UAB Aldega	EUR	1,664,591	1,446,855
		1,664,591	1,446,855

17. CURRENT COMMERCIAL DEBTS

	2023	2022
	MDL	MDL
Trade payables (in country)	437,074	447,795
Trade payables (abroad)	1,090,577	541,259
	1,527,650	989,054

18. LIABILITIES TOWARDS EMPLOYEES

	2023	2022
	MDL	MDL
Liabilities towards employees (salaries)*	776,542	720,035
Liabilities towards advance holders	65	2,173
	776,607	722,208

*The outstanding represents the liabilities towards employees for salaries. The payments were made on 03.01.2024.

19. SOCIAL AND MEDICAL INSURANCE DEBTS

	2023	2022
	MDL	MDL
Social security contributions paid by employer	205,871	181,141
Premiums for compulsory health insurance	13,635	2,333
	219,506	183,474

20. DEBTS TO THE BUDGET

	2023	2022
	MDL	MDL
Income tax from business activity	758,224	372,020
Income tax from salaries	11,181	3,589
VAT	113,689	216,128
	883,094	591,737

21. OTHER CURRENT DEBTS

	2023	2022
	MDL	MDL
Liabilities related to loans overpayment	429,565	322,934
Other short term liabilities	20,541	33,960
	450,106	356,894

22. CURRENT PROVISIONS

	2023	2022
	MDL	MDL
Current provisions for unused vacation	799,789	669,965
	799,789	669,965

23. SALES INCOME

	2023	2022
	MDL	MDL
Interest income	56,936,535	24,052,512
Commission income	40,533,105	52,314,718
Income from financial services	1,956,357	270,198
Income from payment for repayment loans	170,700	
	99,596,697	76,637,428

24. SALES COST

	2023	2022
	MDL	MDL
Salaries	11.884.592	10.320.955
Social security	2,536,206	2,485,892
Interest on loans	19,851,602	14,055,986
Commission for electronic payments		146,378
Information services BIC	2,047,852	1,015,732
Debt collection services	174,840	387,140
Rent expense	2,367,455	2,452,976
Cash receipt fees	20,458	
Credit granting services	557,673	130,769
IT Development	7,772,744	
Provision in the field of process data	4,131,901	
Servers Support	282,788	
Provisions for unused vacation		1,146,141
Other services	947,724	658,913
Other expenses	71,571	94,261
	52,647,406	32,895,144

25. OTHER INCOME FROM OPERATIONAL ACTIVITY

	2023	2022
	MDL	MDL
Income from penalties	11,927,860	11,927,860
Reversal of provision	751,301	525,905
Revenue from sales of written off portfolio	4,256,695	2,486,287
Revenue from recovery of written off debt	1,358,814	1,567,741
Other revenues	169,041	107,985
	11,810,945	16,615,778

26. DISRIBUTION EXPENSES

	2023	2022
	MDL	MDL
Salaries	1,303,048	1,015,804
Social security	312,350	242,025
Depreciation (fixed assets)	56,985	18,995
Advertising	209,423	568,693
Service Facebook	2,688,978	2,947,485
Service Google	4,998,366	4,056,378

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Service Yandex	0	174,204
Marketing services	270,058	
Credit issuing services		630,003
Compromised debtors	209,001	253,705
Provisions for unused vacation		112,398
Other commercial expenses	49,583	28,087
	10,097,792	10,047,777

27. ADMINISTRATIVE COST

	2023	2022
	MDL	MDL
Salaries	4,052,640	2,711,354
Social security	967,745	684,619
Depreciation (fixed assets)	381,732	431,059
Amortization (intangible assets)	4,107	2,640
Low value and short useful life objects	113,154	150,577
AmCham member contribution	33,433	30,012
Communication	254,447	197,077
Bank commission	184,053	201,444
Representative expenses	59,400	
Travel expenses	754,578	110,153
Expenses related to fixed assets reparation and	81,800	76,542
Material costs	114,671	167,759
Utilities	297,116	186,148
Taxes and duties	21,399	14,811
Regulatory payment for running costs	113,253	107,159
Training services	18,934	122,970
Rent expense	971,486	862,932
Audit fees	55,000	50,000
SMS-Advertising	630,626	536,363
IT development		5,571,914
Leasing expenses		19,245
IT maintenance services	170,660	90,916
Sponsorship	30,000	57,200
Servers Support	282,788	572,228
Provisions for unused vacation		294,378
Other services	290,605	266,938
Other expenses	487,694	170,703
	10,371,321	13,687,141

28. OTHER EXPENSES FROM OPERATIONAL ACTIVITY

	2023	2022
	MDL	MDL
Expenses related to provisions for loans	14,882,361	18,720,680
Expenses related to provisions for interest	636,793	559,325
Expenses related to provisions for commission	265,000	1,659,300
Expenses related to events	816,737	379,658
Foreign exchange loss	517,995	371,825

Other expenses	484,866	313,227
	<u>17,603,752</u>	<u>22,004,015</u>

29. REVENUES AND EXPENSES FROM OTHER ACTIVITIES

	2023	2022
	MDL'000	MDL'000
<i>Revenues from financing activity</i>		
Interest income		
Revenues from FX fluctuations	14,762,239	10,567,940
<i>Expenses from financing activity</i>		
Losses from FX fluctuations	(8,847,649)	(12,038,803)
Result from other activities	<u>5,914,590</u>	<u>(1,470,863)</u>

30. INCOME TAX EXPENSES

The tax rate in force in 2023 was 12% (2022: 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:

	2023	2022
	MDL'000	MDL'000
Profit before tax	26,601,962	13,148,266
At statutory income tax rate of 12%	3,192,235	1,577,792
Income tax calculated from adjusted revenues for tax purposes	(10,373)	(163,894)
Income tax calculated from adjusted expenses for tax purposes	173,427	258,122
Losses carried forward		
Facilities granted as exemption for tax		
Total Income tax expense	<u>3,355,289</u>	<u>1,672,020</u>

31. RELATED PARTIES

During 2023, 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 31.12.2023	
				Nominal	Equivalent	Nominal	Echivalent
1	UAB ALDEGA	Founder 100%	Received loan	1,600,000 EUR	31,536,740	6,200,000 EUR	120,015,880
Loan paid			435,000 EUR	8,324,284			
Interest for loan			1,011,678 EUR	19,851,602	85,993 EUR	1,664,591	
2	Director	Administrator	Dividends				
			Car leasing				
			Salary and bonus	1,416,142	1,416,142	125,000	125,000

Related party	Remuneration MDL	Dividends MDL	Interests MDL	Rent MDL	Total MDL
Director	1,416,142				1,416,142
Total	1,416,142		19,851,602		21,267,744

Directors' remuneration

Executive management was paid in 2023 in total amount of 1,416,142 MDL.

32. SUBSEQUENT EVENTS

Due to the economic shocks caused by the considerable increase in the price of gas, energy sources, the inflationary environment, as well as the disruption of value chains caused by the war in Ukraine at the time of signing the Financial Statements, the current level of uncertainty regarding the further evolution of the situation and the interventions of regulatory or government necessary in this regard remains high. The Company's management is unable to predict accurately and with reasonable certainty the impact of the crisis on the Company's financial and operational situation and its general business in the future.

33. 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.

For evaluation of the application of these assumptions, the management has analyzed forecasts related to future cash inflows. Based on this analysis, the management trusts that the company will be able to continue its activity normally in the predictable future. Thus, the application of business continuity principle on preparing financial statements is justified.

Based on this analysis, the auditor considers that no significant uncertainty exists over company's capacity to continue its activity.

34. FINANCIAL RISKS ENCOUNTERED BY THE COMPANY

In 2023 and in the perspective of 2024, 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 st of December 2023			
	Total MDL	MDL MDL	EUR MDL	USD MDL
ASSETS				
Intangible assets, net	11,188	11,188		
Tangible assets, net	1,125,575	1,125,575		
Long term financial assets	121,017,246	121,017,246		
Inventories	178,455	178,455		
Receivables	8,377,307	8,377,307		
Short term investments	35,616,700	35,616,700		
Cash and cash equivalents	1,165,852	1,165,852		
Other short term assets	69,501	69,501		
Total assets	167,561,824	167,561,824	0	0
LIABILITIES				
Long term financial liabilities	120,015,880	0	120,015,880	
Short term financial liabilities	1,664,591	0	1,664,591	
Trade payables	1,527,650	437,073	1,090,577	

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Liabilities towards employees	776,607	776,607		
Liabilities for social security	219,506	219,506		
Liabilities towards the budget	883,094	883,094		
Other calculated liabilities	450,106	450,106		
Total liabilities	125,537,434	2,766,386	122,771,048	0
Net position	42,024,391	164,795,439	(122,771,048)	0

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 2023, 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.

Liquidity indicators	2022	2023	Recommended value
	MDL	MDL	
Treasury assets (cash on hand)	1,230,713	1,165,852	
Current assets	56,873,785	45,407,816	
Inventories	174,334	178,455	
Current liabilities	4,290,221	5,521,554	

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Cash ratio (Treasury assets /Current liabilities)	0.29	0.21	>0.2
Quick ratio - acid-test ratio (Current assets -Inventories/ Current liabilities)	13.22	8.19	>1
Current ratio (Current assets/Current liabilities)	13.26	8.22	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

	2022	2023
	MDL	MDL
Revenues	76,637,428	99,596,697
Net profit	11,476,245	23,246,672
Gross profit	43,742,283	46,949,291
Total operating expenses	78,634,077	90,720,271
Total assets	125,543,441	167,561,824
Equity	17,973,983	41,224,601
Gross margin (Gross profit / revenues*100%)	57%	47%
General profitability ratio (Net profit / Total operating expenses*100%)	15%	26%
Return on assets (ROA) (Net Profit / Total assets*100%)	9%	14%
Return on equity (ROE) (Net Profit / Equity*100%)	64%	56%
Economic profitability ratio (Gross profit/Total Assets*100%)	35%	28%

Other indicators

	2022	2023
	MDL	MDL
Revenues	76,637,428	99,596,697
Fixed assets	68,669,656	122,154,009
Total assets	125,543,441	167,561,824
Equity	17,973,983	41,224,601
Long term capital (Equity + Long term liabilities)	120,583,255	161,240,481
Current liabilities	4,290,221	5,521,554
Total debts	106,899,493	125,537,434

<i>Financial autonomy ratio</i> (Equity /Long term capital)	<i>0.15</i>	<i>0.26</i>
<i>Solvency rate</i> (Total assets/Current liabilities)	<i>29.26</i>	<i>30.35</i>
<i>Rate of overall indebtedness</i> (Current liabilities/Total assets)	<i>0.03</i>	<i>0.03</i>
<i>Financial leverage</i> (Total debts/Equity)	<i>5.95</i>	<i>3.05</i>
<i>Fixed assets turnover ratio</i> (Revenues/Fixed assets)	<i>1.12</i>	<i>0.82</i>
<i>Total assets turnover ratio</i> (Revenues/Total Assets)	<i>0.61</i>	<i>0.59</i>

35. 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.