

Financial Statements 2022

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

**Financial statements
For the year ended at 31 December 2022**

In accordance with National Standards of Accounting

Summary:

	Page
The report of the independent auditor	3
Balance sheet	5
Profit and loss account	9
Statement of changes in equity	11
Cash-flows statement	12
Explanatory notes to financial statements	13

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, 2022, 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 :

03 th of April 2023

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 2022

BALANCE SHEET AT 31.12.2022

No.	Indicators	Note	2021	2022
A.	FIXED ASSETS			
	I. Intangible assets			
	1. Intangible assets under execution			
	2. Intangible assets in exploitation, total	4	51,129	31,158
	of which:			
	2.1. concessions, licenses and trademarks	4	4,576	4,457
	2.2. copyright and protection titles		-	-
	2.3. computer programs	4	7,560	5,040
	2.4. other intangible assets	4	38,992	21,661
	3. Goodwill			
	4. Advance payments for intangible assets			
	Total intangible assets		51,129	31,158
	II. Tangible assets			
	1. Tangible assets under execution	5	8,850	0
	2. Lands			
	3. Fixed assets, total	5	1,159,237	1,340,235
	of which:			
	3.1. buildings			
	3.2. special constructions			
	3.3. machines, machinery and technical installations	5	334,559	236,668
	3.4. means of transport	5	608,278	864,460
	3.5. inventory and furniture			
	3.6. other fixed means	5	216,400	239,107
	4. Mineral resources			
	5. Immobilized biological assets			
	6. Real estate investments			
	7. Advances granted for property, plant and equipment			
	Total tangible assets		1,168,087	1,340,235
	III. Long-term financial investments			
	1. Long-term financial investments in unaffiliated parties	12		67,062,868
	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)		0	67,062,868
	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 Decembe 2022

	including: receivables related to participation interests			
	3. Other long-term receivables	6	154,489	235,395
	4. Long-term anticipated expenses			
	5. Other fixed assets			
	Total long-term receivables and other fixed assets		154,489	235,395
	TOTAL FIXED ASSETS		1,373,705	68,669,656
B.	CIRCULATING ASSETS			
	I. Inventory			
	1. Materials and objects of small value and short duration	7	133,697	165,210
	2. Current biological assets			
	2. Production in progress			
	3. Products and goods			
	4. Advances granted for stocks	7	369	9,124
	Total Inventory		134,066	174,334
	II. Current receivables and other current assets			
	1. Current trade receivables		12,000	0
	2. Receivables of current affiliates			
	including: receivables related to participation interests			
	3. Budget receivables	8	5	5,150
	4. Employee receivables	9	10,200	0
	5. Other current receivables	10	5,233,069	7,232,846
	6. Current anticipated expenses	11	30,972	53,363
	7. Other circulating assets			
	Total current receivables and other current assets		5,286,246	7,291,359
	III. Current financial investments			
	1. Current financial investments in unaffiliated parties	12	59,274,609	48,177,379
	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		59,274,609	48,177,379
	IV. Cash and money documents	13	1,700,874	1,230,713
	TOTAL CIRCULATING ASSETS		66,395,795	56,873,785
	TOTAL ASSETS		67,769,500	125,543,441
C.	OWN CAPITAL			
	I. Social and unregistered capital			
	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 2022

	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	15		500,000
	3. Other reserves			
	Total reserves		0	500,000
	IV. Profit (loss)			
	1. Corrections to the results of previous years			0
	2. Undistributed profit (uncovered loss) of previous years		3,876,756	3,376,756
	3. Net profit (net loss) of the management period			11,476,245
	4. Profit used during the management period		()	()
	Total profit (loss)		3,876,756	14,853,001
	V. Revaluation reserves			
	VI. Other own capital elements			
	TOTAL OWN CAPITAL		6,497,737	17,973,982
D.	LONG-TERM DEBTS			
	1. Long-term bank loans			
	2. Long-term loans	16	57,367,799	102,609,272
	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	17	421,477	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		57,789,276	102,609,272
E.	CURRENT DEBTS			
	1. Short-term bank loans			
	2. Short-term loans, total	18	811,597	1,446,855
	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	19	867,937	989,054
	4. Current debts to affiliate parties			
	including: debts related to participation interests			
	5. Current advances received			
	6. Liabilities towards employees	20	571,320	722,208
	7. Social and medical insurance debts	21	142,520	183,474

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

BALANCE SHEET

At 31 Decembe 2022

	8. Debts to the budget	22	386,667	591,737
	9. Debts to owners			
	10. Current anticipated income			
	11. Other current debts	23	229,617	356,894
	TOTAL CURRENT DEBTS		3,009,658	4,290,222
F.	PROVISIONS			
	1. Provisions for employee benefits	24	472,829	669,965
	2. Provisions for guarantees granted to buyers / customers			
	3. Provisions for taxes			
	4. Other provisions			
	TOTAL PROVISIONS		472,829	669,965
	TOTAL LIABILITIES		67,769,500	125,543,441

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 2022

PROFIT AND LOSS ACCOUNT

For the year 2022

Indicators	Note	2021	2022
Sales income, total	24	56,459,157	76,637,428
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	56,459,157	76,637,428
other sales revenue			
Sales cost, total	25	21,285,103	32,895,145
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	21,285,103	32,895,145
other sales costs			
Gross profit (gross loss) (rd.010 - rd.020)		35,174,054	43,742,283
Other income from operational activity	26	10,894,371	16,615,778
Distribution expenses	27	12,195,283	10,047,777
Administrative costs	28	14,383,403	13,687,141
Other expenses from operational activity	29	15,252,910	22,004,015
The result from the operating activity: profit (loss)		4,236,829	14,619,128
Financial income, total	30	4,769,806	10,567,940
from which:			
income from participation interests			
including: revenues obtained from affiliated parties			
interest income	30		
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	4,769,806	10,567,940
Financial expenses, total	30	2,135,538	12,038,803

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

PROFIT AND LOSS ACCOUNT

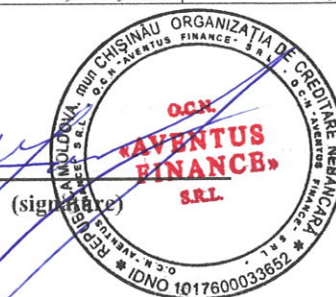
For the year ended at 31 December 2022

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	2,135,538	12,038,803
Results: financial gross profit (gross loss)		2,634,268	(1,470,863)
Income with fixed and exceptional assets		15,000	0
Expenses with fixed and exceptional assets		5,340	0
The result from operations with fixed and exceptional assets: profit (loss)		9,660	0
The result of other activities: profit (loss)		2,643,928	(1,470,863)
Profit (loss) until taxation		6,880,757	13,148,265
Income tax expenses	31	601,257	1,672,020
Net profit (net loss) of the management period		6,279,500	11,476,245

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 2022

STATEMENT OF CHANGES IN EQUITY
For the year 2022

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	0			0
	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		0			0
	Capital reserve	80	0			0
	Statutory reserves	90	0	500,000		500,000
	Other reserves	100	0			0
	Total reserves (row 070 + row 080 + row 090)	110	0	500,000	0	500,000
3	Retained earning (profit or loss)		0			0
	Corrections to previous years results	120				
	Non-distributed profit (loss not covered) of previous years	130	3,876,756		500,000	3,376,756
	Net profit (net loss) of the management period	140		11,476,245		11,476,245
	Profit used during the management period	150		()	()	
	Total retained earning (profit or loss) (row 120 + row 130 + row 140 + row 150)	160	3,876,756	11,476,245	500,000	14,853,001
4	Reserves from reevaluation	170	0			0
5	Other elements of own capital	180	0			0
	Total own capital (row 060 + row 070 + row 110 + row 160 + row 170 + row 180)	190	6,497,737	11,976,245	500,000	17,973,982

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

CASH FLOWS STATEMENT

For the year ended at 31 December 2022

CASH FLOWS STATEMENT

For the year 2022

Indicators	Row code	2021	2022
Cash flows from operational activity			
Proceeds from sales	10	52,113,971	85,821,702
Payments for stocks and services purchased	20	20,198,976	21,195,507
Payments to employees and social and health insurance bodies	30	12,470,726	17,129,698
Interests paid	40	7,146,257	12,122,766
Payment of income tax	50	30,000	1,503,133
Other proceeds	60	173,475,410	237,652,874
Other payments	70	210,691,272	315,186,409
The net cash flow from the operational activity (row 010 – row 020 – row 030 – row 040 – row 050 + row 060 – row 070)	80	(24,947,850)	(43,662,936)
Cash flows from investment activity			
Proceeds from the sale of fixed assets	90		12,000
Payments for inflows of fixed assets	100	438,377	632,761
Interests collected	110		
Dividends collected	120		
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	(438,377)	(620,761)
Cash flows from financial activity			
Proceeds in the form of loans and credit	150	25,834,969	48,541,442
Payments related to repayment of loans and credit	160		4,751,005
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	25,834,969	43,790,437
Toal net cash flow (± row 080 ± row 140 ± row 200)	210	448,742	(493,260)
Favorable (unfavorable) exchange rate differences	220	(16,458)	23,099
Cash balance at the beginning of the management period	230	1,268,590	1,700,874
Cash balance at the end of the management period (± row 210 ± row 220 + row 230)	240	1,700,874	1,230,713

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 2022, 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 2022, the company has 82 employees.

In 2022, 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 2022

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:

	2022		2021	
	USD	EUR	USD	EUR
Average of the period	18.9032	19.8982	17.6816	20.9255
End of year	19.1579	20.3792	17.7452	20.0938

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 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:

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 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:

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

- 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 2022 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.

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

4. INTANGIBLE ASSETS

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

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

	Software	Trade-mark	Other Intangible assets	Total
	MDL	MDL	MDL	MDL
Cost				
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
Cumulated amortization				0
Balance at 1 January 2021	8,575	120	0	8,695
Charge for the year	3,703	120	12998	16,821
Disposals		0		0
Balance at 31 December 2021	12,278	240	12,998	25,516
Carrying amount				
At 31 December 2021	7,560	4,577	38,992	51,129
At 31 December 2020	11,263	4,697	0	15,960

5. TANGIBLE ASSETS

	IT equipments		Vehicles		Other assets		Assets in progress		Total	
	MDL	MDL	MDL	MDL	MDL	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	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	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					

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

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

	IT equipments		Vehicles		Other assets		Assets in progress		Total	
	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL
Cost										
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					
Cumulated depreciation										
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	294,677					
Disposals	40,426			40,426						
Balance at 31 December 2021	323,497	10,310	283,420	0	617,227					
Carrying amount										
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					

6. OTHER LONG-TERM RECEIVABLES

	2022	2021
	MDL	MDL
Deposit guarantees for leasing contracts	233,345	153,239
Other advances	2,050	1,250
	235,395	154,489

7. INVENTORY

	2022	2021
	MDL	MDL
Marketing materials	41,605	
Other inventory	1,826	915
Low value and short useful life objects	121,779	132,782
Advances granted for stocks	9,124	369
	174,334	134,066

8. BUDGET RECEIVABLES

	2022	2021
	MDL	MDL
VAT	4,789	
Withholding taxes	99	4
Taxes for country planning	262	1
	5,150	5

9. EMPLOYEE RECEIVABLES

	2022	2021
	MDL	MDL
Individual social security contributions	0	10,200
	0	10,200

10. OTHER CURRENT RECEIVABLES

	2022	2021
	MDL	MDL
Receivables related to calculated income	4,963,738	4,008,425
Receivables partners for incoming payments	1,426,856	614,514
Receivables related to granted loans	48,900	57,600
Judicial expenses	721,337	435,520
Other short-term receivables	677	677
Short term advances (for services in country)	71,338	116,095
Short term advances (abroad)		238
	7,232,846	5,233,069

Receivables related to calculated income (details)

	2022	2021
	MDL	MDL
Accrued Interest receivable	2,984,660	2,335,024
Accrued Commissions on loans	4,098,914	4,146,345
Provision for Accrued Interest receivable	(822,863)	(832,502)
Provisions for commissions on loans	(1,471,706)	(1,640,442)
Financial services commissions	174,733	

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

4,963,738 **4,008,425**

Provisions related to interest on loans (details)

Calculated provisions represent impairment provisions related to interest on loans.

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		

2021			
Overdues	Interest	%	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
	2,335,024		832,502
Balance impairment provisions	832,502		

<i>Impairment provisions</i>	2022	2021
Balance at 1 st of January	832,502	709,375
Write-offs	475,039	871,177
Annual expenses	578,319	994,304
Cancel provision	232,120	83,831
Recovery	119,201	83,831
Balance at 31st of December	822,863	832,502

Provisions related to commission on loans (details)

Calculated provisions represent impairment provisions related to commission on loans.

2022			
Overdues	Interest	%	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

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

Balance impairment provisions 1,471,706

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
	4,146,345		1,640,442
Balance impairment provisions	1,640,442		

<i>Impairment provisions</i>	2022	2021
Balance at 1 st of January	1,640,442	2,090,143
Write-offs	1,396,143	2,979,389
Annual expenses	1,680,859	2,529,688
Cancel provision	653,808	126,786
Recovery	200,356	126,786
Balance at 31st of December	1,471,706	1,640,442

Receivables partners for incoming payments (details)

	2022	2021
	MDL	MDL
Paymaster SRL	303,520	147,890
Paynet Services SRL	199,239	113,705
Qivi-M SRL	79,912	12,953
INCASO SRL	13,017	1,470
IS POSTA MOLDOVEI	114,008	166,974
BPAY SRL	140,334	42,913
Banks	576,826	128,608
	1,426,856	614,514

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

11. CURRENT ANTICIPATED EXPENSES

Deffered expenses (details):

	2022	2021
	MDL	MDL
Subscription to specialist periodicals	2,299	1,999
JivoChat license	15,053	
Car insurance	32,012	25,682
Domain registration aventus.md	43	
Domain registration credit7	455	
Domain registration kredit7.md	353	1,011
Domain registration kredit365.md	945	1,075
Domain registration automoney.md	346	796

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

Domain registration collector.md	75	75
Domain registration superior.md		43
AmCham member contribution	1,521	
Blanks	261	291
	53,363	30,972

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).

	2022		2021	
	Number of contracts	MDL	Number of contracts	MDL
Long term loans	6,549	73,778,662		
Short term loans	10,178	54,855,144	12,102	69,276,831
	16,727	128,633,805	12,102	69,276,831

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

	2022 MDL	2021 MDL
Long term loans	73,778,662	
Provision long term loans	(6,715,794)	
Net balance long term loans	67,062,868	0

	2022 MDL	2021 MDL
Short term loans	54,855,144	69,276,831
Provision short term loans	(6,677,765)	(10,002,222)
Net balance short term loans	48,177,379	59,274,609

Classification of overdue payments

Overdues	2022		2021	
	Portfolio MDL	Share %	Portfolio MDL	Share %
Standard	99,404,607	77%	48,472,791	70%
Supervised	11,283,999	9%	7,408,694	11%
Sub-standard	9,056,386	7%	6,117,374	9%
Doubtful	1,911,155	1%	1,127,133	2%
Compromised	6,977,658	5%	6,150,839	9%
Total	128,633,805	100%	69,276,831	100%

As per above table, the share of standard loans increased both in absolute value and in % share. The relative value increased by 7%: from 70% of the total portfolio until scrapping in 2021 to 77% in 2022.

Impairment provisions (details)

Calculated provisions represent impairment provisions related to granted loans portfolio.

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		

2021

Overdues	Granted loans portfolio	% Impairment provision	Impairment provision
Standard	48,472,791	2%	969,456
Supervised	7,408,694	5%	370,435
Sub-standard	6,117,374	30%	1,835,212
Doubtful	1,127,133	60%	676,280
Compromised	6,150,839	100%	6,150,839
	69,276,831		10,002,222
Write-offs (loans)	9,559,810		
Balance impairment provisions	10,002,222		

<i>Impairment provisions</i>	2022	2021
Balance at 1 st of January	10,002,222	9,068,883
Write-offs	12,843,057	9,559,810
Annual expenses	18,443,427	11,115,791
Assignment	2,023,952	
Cancel provision	1,189,842	1,211,281
Recovery	1,004,761	588,639
Balance at 31st of December	13,393,559	10,002,222

13. CASH AND CASH EQUIVALENTS

	2022	2021
	MDL	MDL
Current accounts	1,110,940	725,392
Current accounts in foreign currencies		904,221
Bank deposits	91	91
Business card	119,682	71,170
	1,230,713	1,700,874

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

Current accounts (details)

	2022	2021
	MDL	MDL
BC Moldova Agoindbank SA	726,775	480,405
BC Victoriabank SA	282,294	121,531
BC Moldindconbank SA	101,871	123,456
	1,110,940	725,392

Current accounts in foreign currencies (details)

	2022	2021
Foreign Currency	MDL	Foreign Currency
		MDL
BC Moldova Agoindbank SA (EUR)		45,000
	0	904,221

Bank deposits (details)

	2022	2021
	MDL	MDL
BC Moldova Agoindbank SA	91	91
	91	91

14. SHARE CAPITAL AND ADDITIONAL CAPITAL

At 31 of December 2022, 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 2022		31 December 2021	
	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

15. RESERVES

	2021	2020
	MDL	MDL
Statutory reserves	500,000	
	500,000	0

16. LONG-TERM LOANS RECEIVED FROM THE FOUNDERS

	Foreign Currency	2022	2021
		MDL	MDL
Long term loans UAB Aldega	EUR	102,609,272	57,367,799
		102,609,272	57,367,799

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 31.12.2022 constitutes 2,855 KEUR.

17. LONG-TERM TRADE DEBTS

	2022	2021
	MDL	MDL
OCN BT LEASING MD SRL		421,477
	0	421,477

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

18. SHORT-TERM LOANS RECEIVED FROM THE FOUNDERS

	Foreign Currency	2022	2021
		MDL	MDL
Interest loans UAB Aldega	EUR	1,446,855	811,597
		1,446,855	811,597

19. CURRENT COMMERCIAL DEBTS

	2022	2021
	MDL	MDL
Trade payables (in country)	447,795	471,084
Trade payables (abroad)	541,259	396,853
	989,054	867,937

20. LIABILITIES TOWARDS EMPLOYEES

	2022	2021
	MDL	MDL
Liabilities towards employees (salaries)*	720,035	570,359
Liabilities towards advance holders	2,173	961
	722,208	571,320

*The outstanding represents the liabilities towards employees for salaries. The payments were made on 03.01.2023.

21. SOCIAL AND MEDICAL INSURANCE DEBTS

	2022	2021
	MDL	MDL
Social security contributions paid by employer	181,141	140,836
Premiums for compulsory health insurance	2,333	1,684
	183,474	142,520

22. DEBTS TO THE BUDGET

	2022	2021
	MDL	MDL
Income tax from business activity	372,020	203,133
Income tax from salaries	3,589	2,128
Withholding taxes		243
VAT	216,128	180,498
Taxes for country planning		665
	591,737	386,667

23. OTHER CURRENT DEBTS

	2022	2021
	MDL	MDL
Liabilities related to loans overpayment	322,934	212,297
Other short term liabilities	33,960	17,320
	356,894	229,617

24. CURRENT PROVISIONS

	2022	2021
	MDL	MDL
Current provisions for unused vacation	669,965	472,829
	669,965	472,829

25. SALES INCOME

	2022	2021
	MDL	MDL
Interest income	24,052,512	15,298,224
Commission income	52,314,718	41,160,933
Income from financial services	270,198	
	76,637,428	56,459,157

26. SALES COST

	2022	2021
	MDL	MDL
Salaries	10.320.955	7.400.840
Social security	2,485,892	1,348,196
Interest on loans	14,055,986	8,323,608
Commission for electronic payments	146,378	144,036
Information services BIC	1,015,732	885,993
Debt collection services	387,140	289,473
Rent expense	2,452,976	1,773,124
Cash receipt fees		
Credit granting services	130,769	239,388
Repair services of rented spaces		202,163
Provisions for unused vacation	1,146,141	
Other services	658,913	410,244
Other expenses	94,261	268,038
	32,895,144	21,285,103

27. OTHER INCOME FROM OPERATIONAL ACTIVITY

	2022	2021
	MDL	MDL
Income from penalties	11,927,860	8,449,576
Reversal of provision	525,905	
Revenue from sales of written off portfolio	2,486,287	630,736
Revenue from recovery of written off debt	1,567,741	1,427,468
Other revenues	107,985	386,591
	16,615,778	10,894,371

28. DISRIBUTION EXPENSES

	2022	2021
	MDL	MDL
Salaries	1,015,804	682,827
Social security	242,025	161,909
Depreciation (fixed assets)	18,995	1,775
Advertising	568,693	4,130,667
Service Facebook	2,947,485	2,802,598
Service Google	4,056,378	3,859,008
Service Yandex	174,204	402,991
Marketing services		
Credit issuing services	630,003	
Compromised debtors	253,705	92,148
Provisions for unused vacation	112,398	
Other commercial expenses	28,087	61,360
	10,047,777	12,195,283

29. ADMINISTRATIVE COST

	2022	2021
	MDL	MDL
Salaries	2,711,354	3,327,017
Social security	684,619	806,895
Depreciation (fixed assets)	431,059	292,902
Amortization (intangible assets)	2,640	3,823
Low value and short useful life objects	150,577	351,565
AmCham member contribution	30,012	30,250
Communication	197,077	215,661
Bank commission	201,444	155,587
Representative expenses		91,379
Travel expenses	110,153	81,255
Expenses related to fixed assets reparation and	76,542	20,959
Material costs	167,759	184,367
Utilities	186,148	33,543
Taxes and duties	14,811	11,393
Regulatory payment for running costs	107,159	55,377
Training services	122,970	8,141
Rent expense	862,932	808,574
Audit fees	50,000	40,000
SMS-Advertising	536,363	366,408

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

Software license lease		50,734
IT development	5,571,914	5,633,883
Expenses related to agreement with Holding		388,323
Leasing expenses	19,245	18,750
IT maintenance services	90,916	61,846
Sponsorship	57,200	68,000
Servers Support	572,228	551,519
Provisions for unused vacation	294,378	472,829
Other services	266,938	210,207
Other expenses	170,703	42,216
	13,687,141	14,383,403

30. OTHER EXPENSES FROM OPERATIONAL ACTIVITY

	2022	2021
	MDL	MDL
Expenses related to provisions for loans	18,720,680	11,115,791
Expenses related to provisions for interest	559,325	994,303
Expenses related to provisions for commission	1,659,300	2,529,688
Expenses related to events	379,658	182,594
Foreign exchange loss	371,825	198,728
Other expenses	313,227	231,806
	22,004,015	15,252,910

31. REVENUES AND EXPENSES FROM OTHER ACTIVITIES

	2022	2021
	MDL'000	MDL'000
<i>Revenues from financing activity</i>		
Interest income		
Revenues from FX fluctuations	10,567,940	4,769,806
<i>Expenses from financing activity</i>		
Losses from FX fluctuations	(12,038,803)	(2,135,538)
Result from other activities	(1,470,863)	2,634,268

32. INCOME TAX EXPENSES

The tax rate in force in 2022 was 12% (2021: 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:

	2022	2021
	MDL'000	MDL'000
Profit before tax	13,148,266	6,880,757
At statutory income tax rate of 12%	1,577,792	825,691

N.C.O. "AVENTUS FINANCE" S.R.L.
EXPLANATORY NOTES TO FINANCIAL STATEMENTS
For the year ended at 31 December 2022

Income tax calculated from adjusted revenues for tax purposes	(163,894)	(44,766)
Income tax calculated from adjusted expenses for tax purposes	258,122	122,012
Losses carried forward		287,364
Facilities granted as exemption for tax		14,315
Total Income tax expense	<u>1,672,020</u>	<u>601,257</u>

33. RELATED PARTIES

During 2022, 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 31.12.2022	
				Nominal	Equivalent	Nominal	Echivalent
1	UAB ALDEGA	Founder 100%	Received loan	2,430,000 EUR	48,541,442	5,035,000 EUR	102,609,272
			Loan paid	250,000 EUR	4,751,005		
			Interest for loan	708,884 EUR	14,055,986	70,997 EUR	1,446,855
2	Director	Administrator	Dividends				
			Car leasing				
			Salary and bonus	1,062,194	1,062,194	100,000	100,000

Related party	Remuneration	Dividends	Interests	Rent	Total
	MDL	MDL	MDL	MDL	MDL
Shareholders			14,055,986		14,055,986
Director	1,062,194				1,062,194
Total	1,062,194		14,055,986		15,118,180

Directors' remuneration

Executive management was paid in 2022 in total amount of 1,062,194 MDL.

34. 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.

35. 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.

36. FINANCIAL RISKS ENCOUNTERED BY THE COMPANY

In 2022 and in the perspective of 2022, 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 2022			
	Total MDL	MDL	EUR MDL	USD MDL
ASSETS				
Intangible assets, net	31,158	31,158		
Tangible assets, net	1,340,234	1,340,234		
Long term financial assets	67,298,263	67,298,263		
Inventories	174,334	174,334		
Receivables	7,237,997	7,237,997		
Short term investments	48,177,379	48,177,379		
Cash and cash equivalents	1,230,713	1,230,713		
Other short term assets	53,363	53,363		
Total assets	125,543,441	125,543,441	0	0
LIABILITIES				
Long term financial liabilities	102,609,272	0	102,609,272	
Short term financial liabilities	1,446,855	0	1,446,855	
Trade payables	989,054	447,795	541,068	192

Liabilities towards employees	722,208	722,208		
Liabilities for social security	183,474	183,474		
Liabilities towards the budget	591,737	591,737		
Other calculated liabilities	356,893	356,893		
Total liabilities	106,899,493	2,302,107	104,597,195	192
Net position	18,643,948	123,241,334	(104,597,195)	(192)

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 2022, this risk had a negative impact – revenues from FX fluctuations are lower than expenses 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	2021	2022	Recommended value
	MDL	MDL	
Treasury assets (cash on hand)	1,700,874	1,230,713	
Current assets	66,395,795	56,873,785	
Inventories	133,697	174,334	
Current liabilities	3,009,630	4,290,221	

Cash ratio (Treasury assets /Current liabilities)	0.57	0.29	>0.2
Quick ratio - acid-test ratio (Current assets -Inventories/ Current liabilities)	22.02	13.22	>1
Current ratio (Current assets/Current liabilities)	22.06	13.26	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

	2021	2022
	MDL	MDL
Revenues	56,459,157	76,637,428
Net profit	6,279,500	11,476,245
Gross profit	35,174,054	43,742,283
Total operating expenses	63,116,699	78,634,077
Total assets	67,769,500	125,543,441
Equity	6,497,737	17,973,983
Gross margin (Gross profit / revenues*100%)	62%	57%
General profitability ratio (Net profit / Total operating expenses*100%)	10%	15%
Return on assets (ROA) (Net Profit / Total assets*100%)	9%	9%
Return on equity (ROE) (Net Profit / Equity*100%)	97%	64%
Economic profitability ratio (Gross profit/Total Assets*100%)	52%	35%

Other indicators

	2021	2022
	MDL	MDL
Revenues	56,459,157	76,637,428
Fixed assets	1,373,704	68,669,656
Total assets	67,769,500	125,543,441
Equity	6,497,737	17,973,983
Long term capital (Equity + Long term liabilities)	64,287,014	120,583,255
Current liabilities	3,009,657	4,290,221
Total debts	60,798,933	106,899,493

<i>Financial autonomy ratio</i> (Equity /Long term capital)	<u>0.10</u>	<u>0.15</u>
<i>Solvency rate</i> (Total assets/Current liabilities)	<u>22.52</u>	<u>29.26</u>
<i>Rate of overall indebtedness</i> (Current liabilities/Total assets)	<u>0.04</u>	<u>0.03</u>
<i>Financial leverage</i> (Total debts/Equity)	<u>9.36</u>	<u>5.95</u>
<i>Fixed assets turnover ratio</i> (Revenues/Fixed assets)	<u>41.10</u>	<u>1.12</u>
<i>Total assests turnover ratio</i> (Revenues/Total Assets)	<u>0.83</u>	<u>0.61</u>

37. 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.