

UAB Moment Credit

COMPANY'S FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2018 PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION PRESENTED
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AND ANNUAL REPORT



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PVM mokėtojo kodas LT108784411
Juridinių asmenų registras

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VAT payer code LT108784411
Register of Legal Entities

INDEPENDENT AUDITOR'S REPORT

To the shareholders of UAB Moment Credit

Qualified Opinion

We have audited the financial statements of UAB Moment Credit (the Company), which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matter described in section Basis for Qualified Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Qualified Opinion

Due to the reasons disclosed in Note 17 the Company recognised a deferred income tax asset amounting to EUR 285 thousand in the statement of financial position as at 31 December 2018 (EUR 226 thousand as at 31 December 2017). In our opinion, that is not correct. Had the deferred income tax asset not been recognised, the retained earnings as at 31 December 2018 would have decreased by EUR 285 thousand (EUR 226 thousand as at 31 December 2017), and the net result would have decreased by EUR 59 thousand for the year ended 31 December 2018 (by EUR 6 thousand for the year ended 31 December 2017).

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of the Republic of Lithuania that are relevant to the audit in the Republic of Lithuania, and we fulfilled our other ethical responsibilities in accordance with the Law on Audit of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information Included in the Company's Annual Report

Other information consists of the information included in the Company's 2018 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as indicated below.

In connection to our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

We also have to evaluate, if the financial information included in the Company's Annual Report corresponds to the financial statements for the same financial year and if the Company's Annual Report was prepared in accordance with the relevant legal requirements. In our opinion, based on the work performed in the course of the audit of financial statements, in all material respects:

- ▶ The financial information included in the Company's Annual Report corresponds to the financial information included in the financial statements for the same year; and
- ▶ The Company's Annual Report was prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

UAB ERNST & YOUNG BALTIC
Audit company's licence No. 001335

Jonas Akelis
Auditor's licence
No. 000003



6 September 2019

Annual Report 2018

UAB Moment Credit (hereinafter - the Company) is engaged in the provision of financial services (customer financing). The Company was registered on 9 March 2007.

The share capital of the Company is fully paid up. The Company does not hold own shares. The Company has no established affiliates or representative offices.

The Company was not engaged in any research & development activity. The Company has no applicable environmental protection requirements

The key risks that the Company faces are:

Credit risk is the risk that transaction parties may not comply with their liabilities that were agreed in the agreement. There are procedures carried out in the Company constantly to assure that loans are granted to reliable customers and do not exceed an acceptable credit risk limits. Thus, the credit risk is managed before issuing the credit. The Company does not guarantee for other party obligations. In 2019 the Company plans to introduce new additional solvency assessment models and methodologies, which in the future will allow to further categorize clients according to their ratings and more accurately predict the probability of insolvency.

Liquidity risk is the risk that the Company will not be able to cover its' current liabilities or it will cover them in unfavourable circumstances by attracting additional financing or using the Company's assets. The Company's policy is to maintain sufficient amount of cash or cash equivalents or to ensure external financing. By reducing risk, the Company uses several external financing sources bills, loans, borrows through mutual borrowing platforms.

Consumer credit market regulatory risk is the risk that the Company's profitability will decline as a result of changes in the consumer credit market regulatory framework. There were no changes in the legislation governing the consumer credit market in 2018 and 2017 and no changes are planned in the future.

Performance

At the end of 2017, in response to market changes, the Company has begun to provide longer term, higher value specialized loans. During 2018 the average maturity of credits extended to 17 months and average value increased by almost 40%, up to EUR 740. Accordingly, the Company's credit portfolio, excluding impairment, increased by 1.6 million or by 20%, and at 2018 December 31 reached nearly EUR 10 million (Note 4).

At 31 December 2018, the Company had EUR 13 million claims rights (Note 19) arising from credit agreements between the Company and its customers, which suggest that the Company has a stable interest income for the next 2-3 years.

The number of clients increased by 6% and reached 216 thousand customers at the end of the year.

In 2018 the Company was profitable and earned EUR 0,3 million net profit.

As at 31 December 2018, the number of employees in the Company was 38, as at 31 December 2017, 40 employees.

Operational plans

The Company will continue striving to grow its portfolio by offering larger amounts for extended terms at a competitive price in the market.

There were no other material subsequent events apart from the ones described in Note 22 to the financial statements of the Company.

Information about general manager, board members, supervisory board members other management positions

General manager of the Company additionally holds the following management positions:

| Company title | Legal entity identifier | Address | Position |
|--|---|---|---|
| Mozipo IFN S.A. MC Progressio UAB | 33651838 | Calea Moșilor, nr. 21, et. 3, Sector 2, Bucharest | Board member |
| Mozipo Holding LTD | 303295982 | Kalvarijų str. 2-19, Vilnius | Director |
| Mozipo Sp Zoo PT DIGITAL KREDIT INDONESIA | HE 350731 | 41, Misaouli & Kavazoglou, second floor, office number 203, 3016 Limassol | Director |
| | KRS 0000702073 AHU- 0096441.AH.01.11. Year 2018. | Aleje Jerozolimskie 96, 00-807 Warsaw | Director |
| | | L'Avenue Office, 20B floor, Jl. Raya Pasar Minggu kav 16, Pancoran, Jakarta 12780 | Member of the Commission (observer) |

Board members of the Company additionally holds the following management positions:

| Person | Company title | Legal entity identifier | Address | Position |
|-----------------------|-----------------------------------|---|--|---|
| Aušrius Banaitis | Mozipo IFN S.A. | 33651838 | Calea Moșilor, nr. 21, et. 3, Sector 2, Bucharest | Board member |
| Aušrius Banaitis | Mozipo Ltd | RC1474025 | No. 5 Isaac John Street, GRA, Ikeja, Lagos | Director |
| Aušrius Banaitis | Mozipo Holding LTD | HE 350731 | 41, Misaouli & Kavazoglou, second floor, office number 203, 3016 Limassol | Director |
| Aušrius Banaitis | PT DIGITAL KREDIT INDONESIA | AHU- 0096441.AH.01.11. Year 2018. | L'Avenue Office, 20B floor, Jl. Raya Pasar Minggu kav 16, Pancoran, Jakarta 12780, | Member of the Commission (observer) |
| Martynas Matekonis | Auralos Verslas UAB | 303400038 | Vilnius city municipality | Director |
| Martynas Matekonis | Cesija UAB | 304852384 | Kalvarijų str. 2-18, Vilnius | Director |

Supervisory board members of the Company additionally holds the following management positions:

| Person | Company title | Legal entity identifier | Address | Position |
|------------------|-----------------|-------------------------|---|--------------|
| Vytautas Klumbys | Mozipo IFN S.A. | 33651838 | Calea Moșilor, nr. 21, et. 3, Sektorius 2, Bukareštas | Board member |
| Vytautas Klumbys | Mozipo ApS | 36892137 | Langebrogade 5, 1411 Kopenhaga | Director |

Annual report was approved on 6 September 2019. On behalf of the Company approved and signed by:

General Manager

Viktoras Milkevičius

Statement of financial position

| | Notes | As at 31 December 2018 | As at 31 December 2017 |
|---|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 3 | 46 | 363 |
| Loans granted and receivables | 4 | 7,726 | 6,540 |
| Prepayments | 5 | 8 | 8 |
| Prepaid income tax | | 29 | 102 |
| Other assets and receivables from related parties | 20 | 7,135 | 4,748 |
| Deferred income tax asset | 17 | 341 | 260 |
| Intangible assets | 6 | 10 | 17 |
| Property, plant and equipment | 7 | 133 | 96 |
| TOTAL ASSETS | | 15,428 | 12,134 |
| EQUITY AND LIABILITIES | | | |
| Liabilities | | | |
| Financial debts | 8 | 10,644 | 7,369 |
| Financial lease | 9 | 79 | 19 |
| Trade payables | 10 | 221 | 118 |
| Other payables | 11 | 337 | 278 |
| Total Liabilities | | 11,281 | 7,784 |
| Equity | | | |
| Share capital | 1, 12 | 4,050 | 4,050 |
| Legal reserve | 12 | 126 | 117 |
| Retained earnings | | (29) | 183 |
| Total equity | | 4,147 | 4,350 |
| TOTAL EQUITY AND LIABILITIES | | 15,428 | 12,134 |

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on 6 September 2019. These financial statements are approved and signed on behalf of the Company by:

General Manager

Viktoras Milkevičius

Chief Accountant

Giedrė Laurinavičienė



Statement of comprehensive income

| | Notes | 2018 | 2017 |
|--|-------|----------------|----------------|
| Interest income | | 3,009 | 2,999 |
| Interest (expenses) | | (1,500) | (936) |
| Net interest income | | 1,509 | 2,063 |
| (Impairment) of interest bearing assets or its reversals | 4 | 215 | - |
| Net interest income after impairment | | 1,724 | 2,063 |
| Wages and bonuses | | (1,289) | (1,268) |
| Advertising, marketing and representation | | (303) | (171) |
| Fees and commission (expenses) | | (103) | (271) |
| Rent, repairs and maintenance | | (95) | (120) |
| Depreciation and amortization | | (67) | (57) |
| Other (expenses) | 14 | (549) | (681) |
| Operating (expenses) | | (2,406) | (2,568) |
| Income from other financial activity | 15 | 1,009 | 707 |
| Other activity income (expenses) | 16 | (43) | (50) |
| Profit (loss) before income tax | | 284 | 152 |
| Income tax | 17 | 81 | 31 |
| Net profit (loss) | | 365 | 183 |
| Other comprehensive income (expenses), net of tax | | - | - |
| Total comprehensive income (expenses), net of tax | | 365 | 183 |

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General Manager

Viktoras Milkevičius

Chief Accountant

Giedrė Laurinavičienė



Statement of cash flows

| | Notes | 2018 | 2017 |
|---|-------|----------------|----------------|
| Cash flows from (to) operating activities | | | |
| Net profit (loss) | | 365 | 183 |
| Adjustments for non-cash items: | | | |
| Depreciation and amortisation | 6,7 | 67 | 56 |
| (Gain) on disposal of asset held for sale | 16 | (4) | - |
| Change in impairment | 4 | (171) | - |
| Change in accruals | 11 | 1 | 50 |
| Elimination of interests (expenses) | | 308* | 920 |
| Change in deferred income tax | 17 | (81) | (31) |
| | | 485 | 1,178 |
| Changes in working capital: | | | |
| (Increase) in loans granted and receivables | 4 | (1,582) | (98) |
| Increase (decrease) in prepayments | | - | 11 |
| (Increase) in other current assets and related party receivables | | (2,387) | (3,604) |
| Increase (decrease) in trade payables and other payables and payable income tax | | 161 | (9) |
| Change in pre-paid income tax | | 73 | (88) |
| Net cash flows from (to) operating activities | | (3,250) | (2,610) |
| Cash flows from (to) investing activities | | | |
| (Acquisition) of property, plant and equipment and intangible assets | 6,7 | (24) | (37) |
| Proceeds from sale of asset held for sale | 16 | 4 | - |
| Net cash flows from (to) investing activities | | (20) | (37) |
| Cash flows from (to) financing activities | | | |
| Loans received | 8 | 4,119 | 3,736 |
| (Repayment) of loans and interest | | (1,152) | (1,345) |
| Financial lease (payments) | | (14) | 10 |
| Net cash flows from (to) financing activities | | 2,953 | 2,401 |
| Net (decrease) increase in cash flows | | (317) | (246) |
| Cash and cash equivalents at the beginning of the year | | 363 | 609 |
| Cash and cash equivalents at the end of the year | 3 | 46 | 363 |
| Interest cash flow from financing and investing activities: | | | |
| Interest paid | | (734) | (597) |
| Interest received | | 2,905 | 2,875 |
| Non-monetary investing and financial activities | | | |
| Asset acquisitions financed by leasing | | 73 | - |
| Dividends paid (by decreasing loans granted) | | - | (501) |

* Includes settlement of EUR 1,291 thousand non-cash loan receivables with liabilities

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