ANNUAL REPORT

O.C.N. "IUTE CREDIT" S.R.L.

for 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF OCN IUTE CREDIT SRL

Report on the Financial Statements

Opinion with reservations

[1] We have audited the accompanying financial statements of OCN "Iute Credit" SRL (hereinafter referred to as the "Company"), prepared in accordance with the National Accounting Standards of the Republic of Moldova (SNC), which comprise the statement of financial position as at 31 December 2021, the statement of profit and loss, the statement of changes in equity, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

[2] In our opinion, except for the possible effects of the matters referred to in paragraph [3] below, of the Basis for Qualified Opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the National Accounting Standards of the Republic of Moldova (SNC).

Basis for qualified opinion

[3] The Company did not perform an inventory of ATM balances by recounting cash at the end of the fiscal year (see Note 6). Accordingly, we were unable to obtain, through alternative procedures, sufficient and appropriate audit evidence to ensure the existence and completeness of the cash balance at that date and were unable to determine the effect of possible differences in the inventory of ATM cash on the financial position and financial results for the year ended December 31, 2021 or any adjustments that may have been necessary.

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

Highlighting some issues

[5] We draw attention to Note 20 to the financial statements, which describes the risks to the Company that could be affected by the declaration of a state of emergency on 24 February 2022 for a period of 60 days. Our opinion is not modified on this matter.

Report on other legal and regulatory requirements

[6] Management is responsible for the preparation and presentation of other information. That other information includes the Management Report, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information and unless explicitly stated in our report, we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended December 31, 2021, our responsibility is to read that information and, in making those readings, to evaluate whether that other information is materially inconsistent with the financial statements, or with the knowledge we obtained during the audit, or whether it appears to be materially misstated.

With regard to the Management Report, we have read and report whether it has been prepared, in all material respects, in accordance with Article 23 of the Accounting and Financial Reporting Act No 287/2017.

Based solely on the work to be performed during the audit of the financial statements, in our opinion:

a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent in all material respects with the financial statements;
b) Management's Report, has been prepared, in all material respects, in accordance with Article 23 of the Accounting and Financial Reporting Act No 287/2017.

In addition, based on our knowledge and understanding of the Company and its environment acquired during our audit of the financial statements for the year ended December 31, 2021, we are required to report whether we have identified any material misstatements in Management's report. We have nothing to report on this matter.

Management's responsibility for the financial statements

[7] Management is responsible for the preparation and fair presentation of these financial statements in accordance with the SNC and 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, for disclosing, where appropriate, going concern matters and for using going concern basis of accounting, unless management either intends to liquidate the company or 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.

The auditor's responsibilities in an audit of financial statements

[8] Our objectives are to obtain reasonable assurance about whether the individual financial statements, taken 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 International Standards on Auditing will always detect a material misstatement, if one exists. Misrepresentations may be caused by either fraud or error and are considered material if they could reasonably be expected to affect, individually or in the aggregate, the economic decisions of users based on these individual financial statements.

[9] As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.
Also:

- We identify and assess the risks of material misstatement of individual financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve secret understandings, misrepresentation, intentional omissions, misrepresentations and circumvention of internal control.
- We understand 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.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of management's use of going concern accounting and determine, based on audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we should draw attention in the auditor's report to the related disclosures in the individual financial statements or, if those disclosures are inadequate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.
- We assess the overall presentation, structure and content of the individual financial statements, including disclosures, and the extent to which the individual financial statements reflect the underlying transactions and events in a manner that provides a fair presentation.

[10] We communicate to those charged with governance, among other matters, the planned scope and timing of the audit and the principal audit findings, including any significant deficiencies in internal control, that we identify during the audit.

[11] We also provide those charged with governance with a statement that we have complied with all applicable ethical requirements regarding independence and that we will disclose to them all reports and matters that may reasonably be considered to affect our independence, and where appropriate, appropriate safeguards.

On behalf of:

ICS Baker Tilly Klitou and Partners SRL
Blvd. Stefan cel Mare cel Mare și Sfânt 65, et. 7
Office 715, Chisinau MD-2001, Moldova

Chisinau, Moldova

18 March 2022

Alexandr Polomoshny

Licensed Auditor
Auditor's qualification certificate
Series AG No.000269 of 16 June 2010

2. Management Report

Macroeconomic climate

2021 was the year of growth that also reflects the evolution of IuteCredit Moldova (later ICM) into fully digitized customer solutions, diversified revenue streams, including payment services and even more sustainable lending practices, which imply for our customers - higher loan amounts for longer periods but at lower interest. During 2021 we saw the average annual percentage rate (APR) of loans issued fall below 50%, the trend towards 40% APR is expected to continue into 2022.
After a slower than expected first quarter and revised annual expectations, ICM earned 490 million Lei in revenues from its 60,000 clients, beneficiaries of its lending services. ICM made a net profit of 76 million lei 2020 loss of 15.6 million lei). The balance sheet reached 824.6 million lei (+7% year-on-year), which is below the target of 988 million lei.
Digitisation and new types of services offered to customers have greatly helped growth. They are even more important for the future as a precondition for Iute's seamless integration with e-commerce solutions. ICM would have over 130,000 users of the MyIute app by the end of 2022, as well as over 30 ATMs and other fintech solutions. Digitisation is irreversible and the investments made in 2020 and 2021 are already paying off.
That said, Management is optimistic about the outlook. First, ICM is becoming a complex company, with lending services (installment loans, buy-now-pay-later loans) and e-wallet (mobile payments, account-to-account payments, card payments, ATM operations, FX and remittances).
Management sees great potential in integrating Iute's lending and payment services with online shopping solutions. A new market is developing in the Balkans that does not yet have established market leaders.
Overall, Management aims to increase the number of ICM's high-performing clients to over 95,000 in 2022 and achieve a consolidated balance sheet of at least 1,109 million lei. Revenue from lending and wallet services should exceed 655 million lei and net profit should exceed 69 million lei.

Performance of NCB "IUTE CREDIT" Ltd.

Consequently, we ended 2021 at a satisfactory level. The annual revenue amounted to 490.3 million lei, which is less than the 2020 revenue by 18.0 million lei. The balance sheet reached MDL 824.6 million. Within the balance sheet, the share of net loans to customers increased by MDL 115.3 million, which was caused both by the increase in the size of the loan portfolio as well as the change in the size of provisions, i.e., their decrease to MDL 175.2 million from MDL 214.5 million a year ago. Our liabilities decreased y-o-y by 23.7 million lei to 511.2 million lei (2020: 534.9 million lei), while our cash position increased y-o-y by more than 37.1 million lei to reach a level of more than 121.6 million lei. All in all, we ended the year with a larger but also stronger and significantly more liquid balance sheet, which we aim to use aggressively in 2022.

There is a strong internal development that is not instantly visible in the balance sheet. The company has continued to invest in financial technologies such as cash release channel - cardless ATMs and MyIute mobile app, state-of-the-art centralized multi-functional customer support system, more efficient online customer interaction and we continue to invest in exciting developments. We achieved average annual revenues of 3.8 million lei per employee, thus maintaining our level of financial productivity. We also created significant social impact as an employer, supplier, sponsor, educator and market participant.
We've stayed true to our mission of providing our clients with a great personal finance experience while also remaining profitable. By the end of the year we had over 72,000 active credit customers. Net profit in 2021 was achieved at the target level, recording a positive result of RON 76.0 million. Return on equity in 2021 was achieved at the level of 24.3%. Again, we expect to have growth momentum in 2022 and beyond, as we believe we have achieved a lot in 2021.

Evolution of financial results

Ord.	Indicators	2020		2021		Absolute deviation, thousand lei
		Amount, thousand lei	Share, %	Amount, thousand lei	Share, %	
1.	**Total Turnover**	**508 353**	**100%**	**490 347**	**100%**	**-18 006**
1.1.	Interest and commission income	400 317	79%	361 475	74%	-38 842
1.2.	Penalty income other income	108 036	21%	128 872	26%	20 836

For 2021, given continued adaptation to pandemic and other challenges in the credit and payments industry, management remains in an affirmative tone. The company should also benefit from its digitized value streams, customer self-service solutions and procurement market opportunities that can be combined with our business integration know-how. All elements of the balance sheet should be fully put to work. We expect a 30% increase in the balance sheet to the level of 1,110 million lei, realizing total revenues in excess of 655.5 million lei from both non-bank loans and payment services. The number of active customers by the end of 2022 is expected to exceed 95,430.

Overview of the company's activity

OCN IUTE CREDIT SRL (hereafter, ICM) is a Non-Banking Lending Organization that issues consumer loans and offers personal financing services through it. ICM has a single founder - AS IuteCredit Europe (hereinafter, ICE) based in Tallinn, Estonia.
ICE is responsible for the strategic management of ICM, which includes:

- strategic targeting
- organisational structure and equipment of the Management Team
- framework rules on human resources and customer experience
- financial management framework rules
- sales and marketing framework rules
- technological development
- risk management, including credit product approval and the overall compliance framework
- investor relations.

ICM implements ICE designed processes and provides services to customers. Furthermore, ICM develops the local competition business in line with the strategic guidelines and targets, funding and technology provided by ICE. Finally, ICM consists of the local team, local clients, local credit portfolios and develops relationships with local investors as well as authorities and partners.
ICM has been operating since August 2008 and is authorised by the National Commission for the Financial Market.
We aim to achieve speed and convenience in operations, including instant response to any credit application submitted. Because we depend on our partners (banks, shops, post offices, telecoms and other associates), we continually focus on finding new and innovative ways to be the fastest credit provider in the market.

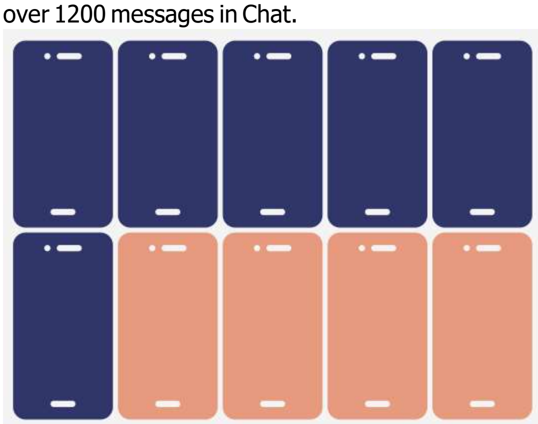
Lending activity

The company's loan products are unsecured consumer loans with maturities between 1 and 48 months and loans secured by cars with maturities up to 72 months. The average loan amount exceeds 10,000 lei, while loan amounts range from 500 lei to 240,000 lei. The weighted average annual percentage rate (AAR) is 54% depending on the loan amount, maturity and client status (new or repeat client with good payment history) (2020 - 57%).
The company aims to serve only customers with a permanent job and stable income. Loans are based on personal identification and personal credit assessment. For a new applicant, the credit rating depends on the comparison of the applicant's relevant parameters with the respective statistical parameters of groups of high-performing and low-performing customers and certain databases. For repeat customers, we apply personal credit assessment, which is based on individual performance data. On average, 63% of credit applications within the company were approved (2020 - 62%).
Loans are managed through an external network of partners (such as stores, Payment Services providers, post offices) and our retail branches. By the end of 2021, we had 12 branches and 1,350 partner stores (2020 - 11 branches and 1,200 partner stores).
The company manages money only through bank accounts and does not carry out cash transactions. Certain agents of the company also carry out cash operations and assume the related risks.
At the end of 2021, the company had over 433 thousand people in its database (2020 - 382 thousand). The proportion of women and men is 48% and 52% respectively. Customers under 45 years of age account for 76% of the total number.
The net loan portfolio (i.e. the balance of all receivables due from customers, adjusted with provisions for credit impairment) is at the level of RON 819 million (2020 - RON 743 million).
For 2021, the average maturity of disbursed loans is 20.6 months (2020 - 19.8 months).
The Customer Performance Index (CPI) is an index we use to measure actual customer repayments against expected repayments according to the original repayment schedules of credit agreements. During 2021 (and up to the date of the annual

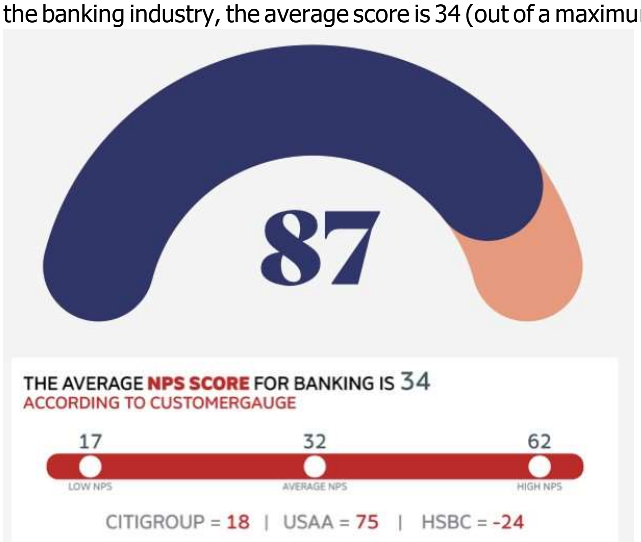
report), on average 87.8% of loan repayments were made in accordance with the credit agreements or within 30 days (2020 - 86.2%).

Customer service and customer satisfaction

Interaction.
IuteCredit teams have the number 1 daily goal: Customer service executed at the highest level. Over 130,000 phone calls with IuteCredit customers per month, over 500 emails, over 4000 messages in Facebook Messenger, over 1500 messages in Viber, over 1200 messages in Chat.



Customer note.
87 (out of 100 maximum) is the score given by customers for the quality of service and service of IuteCredit. For comparison, in the banking industry, the average score is 34 (out of a maximum of 100).



Omnipresent.
- Call Centre and Online Support available 7/7;
- 13 branches throughout the republic and Chisinau;
- MyIute app for iOS and Android.

Loans via smartphone.
The MyIute app for iOS and Android offers absolutely the full spectrum of IuteCredit services: from application, to digitally signing the contract and receiving the money, obtaining the related certificates, refinancing, suspension, etc.

Credit in 8 minutes
Simple procedure to get credit in just 8 minutes: time to offer the decision on granting credit.
The Fast Team.
Skilled team of professionals with modern advanced systems and applications to serve customers 7/7 from 8:00am to 8:00pm.
Quality.
IuteCredit maintains quality at the highest level year after year. The company has developed and implemented complex mechanisms such as:

- a powerful system for managing all customer contact channels;
- a high-performance system for live monitoring of all company indicators;
- complex 360 process of quality control and maintenance;
- continuous employee development strategy and broad spectrum of training;
- etc.

"*The most dissatisfied customer is the greatest source of learning*"

Bill Gates

Social responsibility and environmental protection

We are a responsible Company, a strong contributor and a promoter of reducing the impact of our activities on the environment. The Company creates tax revenue for the state budget and is a strong supporter of local life. ICM supports financial literacy, healthy lifestyles and improving the social environment.

IuteCredit is a solid contributor, by:

- The disbursed credits in the amount of 1,296 million lei paid into the Moldovan economy in 2021 generated about 216 million lei in value-added tax revenue from the sale of goods purchased with the MCI.
- The company has declared approximately 44.2 million lei of taxes on labour and income.

Increasing financial education

We have continued the National Financial Education Campaign, launched in November 2019 and continued online well into 2020, notwithstanding the restrictions of the Covid-19 pandemic. The only and first such Campaign ever launched in Moldova by a financial institution reached almost half a million people through online and social media channels in 2021. Campaign materials were distributed in 83 high schools and 109 secondary schools, 65% of them in rural areas.

We support a healthy lifestyle

- We educate our clients to apply for credit and information online to stay safe in their homes during the Covid-19 pandemic.

Reducing environmental impact

- We are reducing the amount of paper we print and promoting non-paper interaction channels with customers - Call Center, social media, messengers, web, MyIute mobile app. We reduced the amount of printed paper of credit agreements and related documents by 30%. We also installed boxes in ICM offices to collect used paper for further recycling.
- We use LED lights in all our premises and exterior lighting and have stopped using plastic containers for lunch deliveries, replacing plastic with environmentally friendly packaging.

Motivated employees

- We offer job and self-development opportunities to about 130 talented and motivated people and the number is growing.
- During the Covid-19 pandemic, we took the necessary steps to protect our employees - face masks, transparent desk dividers, covered taxi costs for employees, etc. We provided work-from-home opportunities and equipped our employees with laptops.
- We offer our employees the opportunity to take English language and team training courses, professional challenges and team competitions with attractive bonuses and gifts.
- We offer private health insurance for all ICM employees, plus financial support for personal development.

Human Resource Management and Efficiency

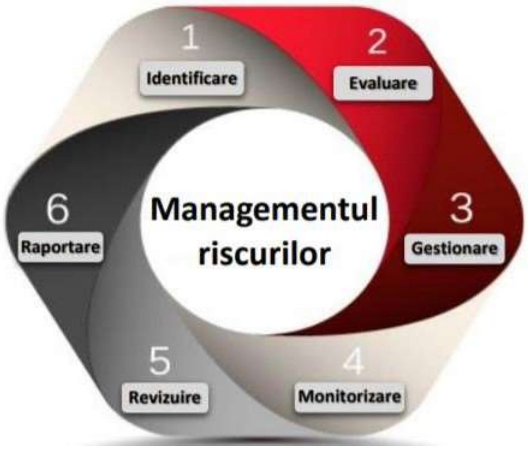
Having been awarded Top Employer in 2019, the company continued in 2021 a human resources policy aimed at maintaining a high level of employee satisfaction.
In 2021 ICM continued to offer its employees one of the most diverse and generous benefit programs in the Republic of Moldova market. Under the program, the employee alone decides the amount and what kind of benefits he or she will receive.
In addition, ICM supports the professional development of employees by offering a wide range of courses free of charge, including partial coverage of English language courses. "Work Life balance" is strictly adhered to so overtime was not recorded at all during 2021. Attrition rate of employees for 2021 is only 20%.

At the end of 2021, the number of employees was 130 (2020: 129).

In 2021 we continue to increase the efficiency of work processes and individual team member performance measurement and expect productivity to be maintained at the same level.
Salary levels (including bonuses) are above the local market average and above financial industry benchmarks of which the company is aware. Personnel expenses for the team were recorded at the level of 44 million lei. We are happy that our team earns more money when the company and its profit grow.

Risk management

Risk management is the process of identifying, assessing, managing, monitoring and establishing a plan of risk mitigation measures/actions, periodic review, monitoring and establishing accountability.



The risk management function is independent of the business function and focuses on the management and control of the following risks: credit risk, currency risk, liquidity risk, operational risk, compliance risk and reputational risk.

CREDIT RISK

Customer credit risk is defined as the risk of loss resulting from the potential non-fulfilment of contractual payment obligations associated with the credit exposure to the customer. During 2021, ICM reviewed its customer selection principles. Thus, lending parameters for certain categories of customers were revised, tougher conditions were set for determining the creditworthiness of customers as well as for determining/forecasting payment capacity for the future period.

Backlog monitoring continued intensively throughout 2021. In order to encourage customers to pay their debts, ICM was ready to waive 100% of the calculated penalties, showing an understanding of the situations customers were in. In this way, ICM also stands by the idea that the company's profit is not based on penalty collections and on the basis of defaulting customers, but on partnership relationships, mutually beneficial for both the company and the customers.

CURRENCY RISK

Currency risk is the risk that fluctuations in foreign exchange rates will affect the Company's earnings and capital adequacy.

The company operates in domestic currency and is continuously exposed to foreign exchange risk because its loan portfolio is only in domestic currency, while the sources of its funding are foreign currency.

The cost of funds attracted represents interest, related fees and possibly costs associated with currency risk mitigation. In the context of the prohibitions imposed by Law 23/2020, by limiting the opportunities to raise funds, as well as the reluctance of the banking sector to fund non-bank lending organisations, these costs have increased over the last few years (~10% - 16%), but ICM has fully borne them without passing them on to its clients.

LIQUIDITY RISK

Liquidity risk in the narrowest sense (insolvency risk) is the danger that the Company will not be able to meet its current and future payment obligations in full or on time.

The Company's loan portfolio is the largest component of assets and at the end of 2021 it recorded a figure of 819.4 million lei. The main part of the loan portfolio is accounted for by short-term and medium-term exposures to individual customers, which at the end of 2021 amounted to 524.2 thousand lei. The loans are granted with repayment in instalments, and their default rate decreased in 2021 compared to 2020, when the customer performance index was 87.3% in 2021 compared to 85.5% in 2020.

OPERATIONAL RISK

Operational risk management is a separate area in the overall risk management process within ICM. Processes related to operational risk management are integrated into day-to-day risk management and are implemented at all levels of the company. The overall objectives of the approach adopted by the company for operational risk management are:
- Understand operational risk triggers;
- Identifying critical issues at an early stage;
- Avoiding losses due to operational risks

Both the operational risk management tools and process are continuously being improved and there is alignment with the operational risk management framework at ICE Group level using the Advanced Approach.

COMPLIANCE **RISK**

Compliance risk is defined as the actual or potential risk of damage to the company's profits and capital, which may result in fines, damages and/or termination of contracts, or damage to the company's reputation, as a result of violations or non-compliance with the legal and regulatory framework, agreements, best practices or ethical standards. In this respect 2021 was a more forgiving year which allowed and provided respite for more detailed monitoring of the impact of the 2020 legislative changes.

The level of compliance risk is determined by the impact of a legislative change and/or lack of compliance with an existing, new or amended piece of legislation. In assessing the level of risk, not only the potential financial impact, but also the non-financial (legal, operational or reputational) impact has been taken into account.

REPUTATIONAL RISK

Within the company, reputational risk management activities are carried out along the following lines of action: regulation of the area of activity and identification, measurement, monitoring and management of reputational risk.

Reputational risk is a priority for the company, which is why there is a continuous concern to make improvements in all aspects. The positive outcome of this priority has also been reflected in the substantial decrease in customer complaints registered with the supervisory bodies of the non-bank lending sector.

In the current context of a complex regulatory environment, ICM continues its efforts to adapt its IT architecture and risk policies and procedures to new legislative requirements and market developments.

Investor relations

The company is developing relationships with local banks, with local and foreign investors obtaining loans when interest rates are favourable, taking into account the exchange rate risks.
At group level, as of 2019 the group is listed on the Frankfurt Stock Exchange, quarterly reports are published as well as ad-hoc releases in accordance with stock market regulations. Also at group level, a trans-European roadshow has been organised to meet individual investors prior to the listing on the Frankfurt Stock Exchange and the open communication policy in line with market best practice continues.

Weighted average interest rate on liabilities to investors at 12% per annum. The amount of interest calculated to investors in 2021 was RON 58.9 million (2020: RON 66.0 million). All the company's obligations were met in full and without any holdbacks.

Strategic objectives for 2022

The company has set the following targets for 2022:

- More than 95,000 active loan customers in the database
- Performing non-bank loan portfolio of 990 million lei by 31.12.2022
- Revenues over 655 million lei
- New technological solutions to expand the range of financial services offered.

The company plans to increase its Customer Performance Index (CPI) by the end of 2022 to the 90% level and without a significant increase in the ratio of operating costs to interest income .
During the year, the company may adjust its targets in line with the continued volatility of local currency exchange rates.
Foreign exchange risk can become an inhibiting factor for business growth in several countries.

3. Financial Statements

1.1 Balance Sheet

No.	Activ			Sold to

1	2	Rd. code 3	Note	Start of the management period 4	End of management period 5
A.	**FIXED ASSETS**				
	I. Intangible assets				
	1. Intangible assets in progress	010			
	2. Intangible assets in operation, total	020		2 705 671	1 433 684
	of which: 2. 1. concessions, licences and trademarks	021		17 798	16 309
	2.2. copyright and protective rights	022			
	2.3. software	023		2 687 873	1 417 375
	2.4. other intangible assets	024			
	3. Goodwill	030			
	4. Advances granted for intangible assets	040			
	Total intangible fixed assets (rd.010+rd.020+rd.030+rd.040)	050	**7**	**2 705 671**	**1 433 684**
	II. Tangible fixed assets				
	1. Tangible fixed assets in course of construction	060		124 041	371 960
	2. Land	070			
	3. Fixed assets, total	080		4 644 531	4 263 403
	of which: 3. 1. buildings	081			
	3.2. special constructions	082		281 380	232 449
	3.2. machinery and technical installations	083		2 303 437	1 859 414
	3.3. means of transport	084		369 154	558 170
	3.4. inventory and furniture	085		1 341 748	806 261
	3.5. other fixed assets	086		348 811	807 110
	Mineral resources	090			
	5. Non-current biological assets	100			
	6. Real estate investments	110			
	7. Advances for tangible fixed assets	120			
	Total tangible fixed assets (rd.060 + rd.070 + rd.080 + rd.090 + rd.100 + rd.110 + rd.120)	**130**	**8**	**4 768 572**	**4 635 363**
	III. Long-term financial investments				
	1. Long-term financial investments in unrelated parties	140			
	2. Long-term financial investments in affiliated parties, total	150			
	of which: 2. 1. shares and participating interests held in related parties	151			
	2.2. loans to related parties	152			
	2.3. loans granted in respect of participating interests	153			
	2.4. other financial investments	154			
	Total long-term financial investments (rd.140 + rd.150)	**160**			
	IV. Long-term receivables and other non-current assets				
	1. Long-term trade receivables	170			
	2. Long-term receivables from related parties	180			
	including: claims relating to participating interests	181			
	3. Other long-term receivables	190			

	4. Anticipated long-term expenditure	200			
	5. Other non-current assets	210			
	Total long-term receivables and other non-current assets (rd.170 + rd.180 + rd.190 + rd.200 + rd. 210)	**220**			
	TOTAL FIXED ASSETS (rd.050 + rd.130 + rd.160 + rd.220)	**230**		**7 474 243**	**6 069 047**
B.	**CURRENT ASSET**				
	I. Stocks				
	1. Materials and items of low value and short duration	240		93 707	17 362
	2. Circulating biological assets	250			
	2. Production in progress	260			
	3. Products and goods	270			
	4. Advances granted for stocks	280			
	Total stocks (rd.240 + rd.250 + rd.260 + rd.270 + rd.280)	**290**	**11**	**93 707**	**17 362**
	II. Current receivables and other current assets				
	1. Current trade receivables	300			
	2. Current related party claims	310	10	22 577 387	
	including: claims relating to participating interests	311			
	3. Budget claims	320	10	19 997 330	1 799 050
	4. Staff claims	330	10	13 628	14 661
	5. Other current receivables	340	9, 10	109 628 644	50 963 824
	6. Current prepaid expenditure	350	12	36 542	66 496
	7. Other current assets	360	12	6 865	5 609
	Total current receivables and other current assets (rd.300 + rd.310 + rd.320 + rd.330 + rd.340 + rd.350 + rd.360)	**370**	**19**	**152 260 396**	**52 849 640**
	III. Current financial investments				
	1. Current financial investments in unrelated parties	380	9, 16	528 810 287	644 083 706
	2. Current financial investments in affiliated parties, total	390			
	of which: 2. 1. shares and participating interests held in related parties	391			
	2.2. loans to related parties	392			
	2.3. loans granted in respect of participating interests	393			
	2.4. other financial investments in related parties	394			
	Total current financial investments (rd.380 + rd. 390)	**400**		**528 810 287**	**644 083 706**
	IV. Cash and money documents	**410**	6, 19	84 489 569	121 594 244
	TOTAL CURRENT ASSETS (rd.290 + rd.370 + rd.400 + rd.410)	**420**		**765 653 959**	**818 544 952**
	TOTAL ASSETS (rd.230 + rd.420)	**430**		**773 128 202**	**824 613 999**
C.	**EQUITY CAPITAL**				
	I. Share capital and unregistered				
	1. Share capital	440		4 358 768	4 358 768
	2. Unpaid capital	450			
	3. Unregistered capital	460			
	4. Capital delayed	470			
	5. Assets received from the State with right of ownership	480			
	Total equity and unregistered capital (rd.440 + rd.450 + rd.460 + rd.470+ rd.480)	**490**		**4 358 768**	**4 358 768**

	II. Capital premium	**500**			
	III. Book				
	1. Reserve capital	510			
	Statutory reserves	520		435 877	435 877
	3. Other reserves	530			
	Total reserves (rd.510 + rd.520 + rd.530)	**540**		435 877	435 877
	IV. Profit (loss)				
	1. Corrections to previous years' results	550		**X**	
	2. Retained earnings (unappropriated loss) of previous years	560		233 424 076	232 638 812
	3. Net profit (loss) for the reporting period	570		**X**	76 019 649
	4. Profit used for the reporting period	580		**X**	
	Total profit (loss) (rd.550 + rd.560 + rd.570 + rd.580)	**590**	**13**	233 424 076	308 658 461
	V. Revaluation reserves	**600**			
	VI. Other equity items	**610**			
	TOTAL SHAREHOLDERS' EQUITY (rd.490+rd.500+rd.540+rd.590+rd.600+rd.610)	**620**		**238 218 721**	**313 453 106**
D.	**LONG-TERM DEBT**				
	1. Long-term bank loans	630	14	43 411 775	58 534 464
	2. Long-term loans	640	14, 19	298 955 371	37 509 723
	of which: 2.1 . loans from bond issues	641			
	including: convertible bond loans	642			
	2.2. other long-term loans	643	14	298 955 371	37 509 723
	3. Long-term commercial debts	650			
	4. Long-term liabilities to related parties	660			
	including: liabilities relating to participating interests	661			
	5. Long-term advances received	670			
	6. Long-term prepaid income	680			
	7. Other long-term liabilities	690			
	TOTAL LONG-TERM DEBTS (rd.630 + rd.640 + rd.650 + rd.660 + rd.670 + rd.680 + rd.690)	**700**		**342 367 146**	**96 044 187**
E.	**CURRENT LIABILITIES**				
	1. Short-term bank loans	710	14	47 339 654	30 671 486
	2. Short-term loans, total	720	14, 19	108 637 670	345 228 132
	of which: 2.1 . loans from bond issues	721			
	including: convertible bond loans	722			
	2.2. other short-term loans	723	14	108 637 670	345 228 132
	3. Current trade payables	730	15, 19	1 354 948	2 074 362
	4. Liabilities to current related parties	740	15, 19	3 046 290	5 985 989
	including: liabilities relating to participating interests	741			

	5. Current advances received	750			
	6. Debts to staff	760	15	1 130	490 181
	7. Social and medical insurance debts	770	15	1 107 528	2 121 190
	8. Debts to the budget	780	15	1 737 755	3 642 109
	9. Debts to owners	790			
	10. Current prepaid income	800	15	22 278 498	4 277 975
	11. Other current liabilities	810	15, 19	5 574 593	18 088 067
	TOTAL CURRENT LIABILITIES (rd.710 + rd.720 + rd.730 + rd.740 + rd.750 + rd.760 + rd.770 + rd.780 + rd.790 + rd.800 + rd.810)	**820**		**191 078 066**	**412 579 491**
F.	**PROVIZIOANE**				
	1. Provisions for employee benefits	830			2 500 922
	2. Provisions for guarantees to buyers/customers	840			
	3. Provisions for taxes	850			
	4. Other provisions	860		1 464 269	36 295
	TOTAL PROVISIONS (rd.830 + rd.840 + rd.850 + rd.860)	**870**	**16**	**1 464 269**	**2 537 217**
	TOTAL LIABILITIES (rd.620+ rd.700+ rd.820 + rd.870)	**880**		**773 128 202**	**824 613 999**

2.2. Profit and Loss Statement as at 31.12.2021

Indicators	Rd. code	Note	Management period	
			previous	current
1	2		3	4
Sales revenue, total	**010**	**17**	508 352 929	490 347 237
of which: income from the sale of products and goods	011			
revenue from the provision of services and the execution of works	012			
revenue from construction contracts	013			
income from leasing contracts	014			
income from microfinance contracts	015		508 324 734	490 341 390
other sales revenue	016		28 195	5 847
Cost of sales, total	**020**	**18**	66 027 819	58 949 474
of which: book value of products and goods sold	021			
the cost of services rendered and work carried out for third parties	022			
construction contract costs	023			
leasing costs	024			
microfinance contract costs	025		66 008 411	58 944 665
other costs of sales	026		19 408	4 809
Gross profit (gross loss) (rd.010 - rd.020)	**030**		**442 325 110**	**431 397 763**
Other operating income	040	17	5 080 880	2 529 682
Distribution expenses	050	18	11 969 570	19 949 234
Administrative expenditure	060	18	134 665 014	218 064 699

Other operating expenditure	070	18	12 925 784	10 784 672
Result from operating activities: profit (loss) (rd.030 + rd.040 - rd.050 - rd.060 - rd.070**)**	**080**		**287 845 622**	**185 128 840**
Financial income, total	090	17	22 009 950	58 325 632
of which: income from participating interests	091			
including: income from related parties	092			
interest income:	093			
including: income from related parties	094			
income from other long-term financial investments	095			
including: income from related parties	096			
income related to value adjustments on long-term and current financial investments	097			
income from the disposal of financial investments	098			
income related to exchange rate and amount differences	099	17	21 962 376	35 304 005
Financial expenditure, total	100	18	325 355 897	157 573 060
of which: interest expenses	101			
including: related party expenses	102			
expenditure on value adjustments on long-term and current financial investments	103			
expenditure relating to the outflow of financial investments	104			
expenditure relating to exchange rate and currency differences	105	18	54 268 167	18 436 003
Result: financial profit (loss) (rd.090 - rd.100)	**110**		**-303 345 949**	**-99 247 428**
Income from fixed and exceptional assets	120	17	7 217	122 618
Expenditure on fixed and exceptional assets	130	18	108 262	112 148
Result on transactions with non-current and exceptional assets: profit (loss) (rhs.120 - rhs.130)	**140**		**-101 045**	**10 470**
Result from other activities: profit (loss) (rd.110 + rd.140**)**	**150**		**-303 446 994**	**-99 236 958**
Profit (loss) before tax (rd.080 + rd.150)	**160**		**-15 601 370**	**85 891 882**
Income tax expenditure	170	18	0	9 872 233
Net profit (loss) for the reporting period (rd.160 - rd.170**)**	**180**		**-15 601 370**	**76 019 649**

2.3. Statement of Changes in Own Capital

No.	Indicators	Codrd.	Balance at the beginning of the reporting period	Increases	Decreases	Balance at the end of the reporting period
1	2	3	4	5	6	7
	I. Registered and unregistered capital 1. Share capital	010	4 358 768			**4 358 768**

2. Unpaid capital	020				
3. Unregistered capital	030				
4. Capital delayed	040				
5. Assets received from the State with right of ownership	050				
Total capital stock and not registered (rd.010 + rd.020 + rd.030 + rd.040 + rd.050)	**060**	**4 358 768**			**4 358 768**
II. Capital premium	**070**				
III. Book					
1. Reserve capital	080				
Statutory reserves	090	435 877			**435 877**
3. Other reserves	100				
Total reserves (rd.080 + rd.090 + rd.100)	**110**	**435 877**			**435 877**
IV. Profit (loss)					
1. Corrections to previous years' results	120	X			
2. Retained earnings (unappropriated loss) of previous years	130	233 424 076		785 264	**232 638 812**
3. Net profit (loss) for the reporting period	140	X	76 019 649		**76 019 649**
4. Profit used for the reporting period	150	X			
Total profit (loss) (rd.120 + rd.130 + rd.140 + rd.150)	**160**	**233 424 076**	**76 019 649**	**785 264**	**308 658 461**
V. Revaluation reserves	**170**				
VI. Other equity items	**180**				
TOTAL EQUITY (rd.060 + rd.070 + rd.110 + rd.160 + rd.170 + rd.180)	**190**	**238 218 720**	**76 019 649**	**785 264**	**313 453 105**

2.4. Cash Flow Situation

Indicators	**Rd. code**	**Management period**	
		previous	**current**
1	2	3	4
Cash flows from operating activities			
Sales revenue	010	533 109 458	731 820 154
Payments for stocks and services purchased	020	137 809 960	146 614 831
Payments to employees and social and medical insurance bodies	030	32 755 745	44 533 739

Interest paid	040	31 170 473	29 170 249
Payment of income tax	050	12 836 902	
Other receipts	060	446 358 753	532 159 541
Other payments	070	600 265 886	979 804 822
Net cash flow from operating activities (rd.010 - rd.020 - rd.030 - rd.040 - rd.050 + rd.060 - rd.070)	**080**	**164 629 245**	**63 856 054**
Cash flows from investing activities			
Proceeds from sale of fixed assets	090		72 618
Payments related to fixed asset entries	100		793 007
Interest received	110		
Dividends received	120		
including: dividends received from abroad	121		
Other receipts (payments)	130		
Net cash flow from investing activities (rd.090 - rd.100 + rd.110 + rd.120 ± rd.130)	**140**		**-720 389**
Cash flows from financial activity			
Receipts in the form of credits and loans	150	247 472 918	432 219 590
Payments related to the repayment of loans and borrowings	160	357 065 901	454 909 579
Dividends paid	170	12 190 171	
including: dividends paid to non-residents	171	12 190 171	
Proceeds from capital operations	180		
Other receipts (payments)	190		38 368
Net cash flow from financial activities (rd.150 - rd.160 - rd.170 + rd.180 ± rd.190)	**200**	**-121 783 154**	**-22 651 621**
Total net cash flow (± rd.080 ± rd.140 ± rd.200)	**210**	**42 846 091**	**40 484 044**
Favourable (unfavourable) exchange rate differences	220	-396 181	-3 379 368
Cash balance at the beginning of the reporting period	**230**	**42 039 659**	**84 489 569**
Cash balance at the end of the reporting period (± rd.210 ± rd.220 + rd.230)	**240**	**84 489 569**	**121 594 244**

4. General dates

The Non-Banking Credit Organization "IUTE CREDIT" Ltd. (hereinafter referred to as "ICM") was registered on 05.06.2008, registration certificate MD number 0083113, issued by the Public Services Agency. The share capital of the company is 4 358 768 lei.
According to the statute, the ICM can carry out activities such as: granting non-bank loans, other financial intermediation n.e.c., financial leasing, bancassurance agent activity, payment service activity by payment companies, electronic money issuers, postal service providers. Up to the reporting date, the ICM carried out only non-bank lending to individuals, citizens of the Republic of Moldova, which is not subject to licensing.

The legal address of ICM is Bd. Ștefan Cel Mare 182, et.5, Chisinau, Republic of Moldova. At the same time, the company has 13 branch offices in Chisinau and in other localities of the Republic of Moldova. They play an essential role in the success of the company, by promoting credit products to customers and serving them. List of branch offices:

Branches	**Address**
Central Office	Chisinau, Stefan cel Mare cel Sfint bd. 182
Chisinau (Ciocana)	Chisinau, 17/3 Ginta Latină str.
Chisinau (Buiucani)	Chisinau, Calea Ieșilor str. 3/1
Chisinau (Centre)	Chisinau, 86/4 Ismail str.
Chisinau (Riscani)	Chisinau, Kiev str. 16/1
Cahul	Cahul, Prospect Republic Street 20/14
Balti	Balti, Stefan cel Mare cel Sfint 48 str.
Comrat	Comrat, 73 Pobeda Street
Edinet	Edinet, Independence Street 100
Hincesti	Hincesti, 8/B Chisinau Street
Orhei	Orhei, Vasile Lupu Street 21/15
Soroca	Soroca, Stefan cel Mare street 33A
Ungheni	Ungheni, 15 National str.

The number of employees on 31.12.2021 was 130 people, including by category: administrative staff - 52 people; staff employed in customer service and service provision - 78 people .

5. Accounting policies

The financial statements are prepared in accordance with the provisions of the Laws, National Accounting Standards and Regulations approved by the Ministry of Finance of the Republic of Moldova and the National Commission for Financial Markets. No deviations from the general principles and qualitative characteristics set out in the above-mentioned rules have been committed.

The accounting policy of the ICM is based on:

- Accounting and Financial Reporting Act No 287 of 15 December 2017;
- Law on non-banking credit organisations No 1 of 16 March 2018;
- National Accounting Standards and National Chart of Accounts approved by the Ministry of Finance of the Republic of Moldova on 06 August 2013 and the main amendments made to the SNC approved by the order of the Minister of Finance No.48 of 12.03.2019;
- Other legislative and regulatory acts issued by the National Financial Market Commission and other state institutions, taking into account subsequent amendments.

The accounting records of the ICM are kept in Romanian and the national currency of the Republic of Moldova - Moldovan Leu (MDL). The accounting of economic facts carried out in foreign currency is kept both in national currency and in foreign currency, according to national accounting standards. ICM uses double-entry bookkeeping, which is the recording of economic facts by double entry, with the application of accounting accounts and the drawing up of financial statements and by using computerised technology and the "1C-Enterprise" accounting software. The management period coincides with the calendar year.

Economic transactions are completed using forms - standard forms of primary documents approved by the Ministry of Finance and other public authorities, as well as forms drawn up by the company itself and approved by management.

The inventory of the assets shall be carried out once a year at the initiation of the management in the manner established by the Regulation on inventory, drawn up and approved by the Ministry of Finance not later than 31 December.

The elements of the financial statements are determined on the basis of the following methods and procedures set out in the accounting policies approved by the entity's Director's Order No. 578/1 of 28 December 2020.

5.1 Business continuity

The management of ICM has made an assessment of its ability to continue its work and is satisfied that it has the necessary resources to continue its work in the near future. In addition, management is not aware of any significant uncertainties that could cast significant doubt on the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

5.2 Reporting currency

The financial statements are presented in Moldovan lei ("MDL"), which is the company's functional and reporting currency. Transactions in foreign currency are converted into the functional currency using the official exchange rates of the National Bank of the Republic of Moldova on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement. Translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Monetary items in foreign currency (cash, receivables and payables, excluding advances given and received for purchases/supplies of assets and services, financial investments, excluding shares and units) are recalculated in national currency on a monthly basis using the official exchange rate on the last date of the month under review.

The main exchange rates used in preparing the company's financial statements were as follows:

Reporting date	**EUR**	**USD**
31 December 2020	21,1266	17,2146
31 December 2021	20,0938	17,7452

Average official rates	**EUR**	**USD**
2020	19.7436	17,3201
2021	20,9255	17,6816

5.3 Means

The balances of cash in hand and on settlement accounts are reflected in the financial statements at nominal value.

5.4 Intangible and tangible fixed assets

Intangible assets and property, plant and equipment are recognised initially on the basis of the classification of the items of property, plant and equipment determined by the company's management at the entry cost. Depreciation of intangible and tangible fixed assets is calculated using the straight-line method from the first day of the month following the month in which they are put into service.

Fixed assets include tangible fixed assets transferred in operation, the value of which exceeds the ceiling set by legislation. The transfer of tangible fixed assets to subdivisions was carried out at cost. The costs of disposal of tangible fixed assets were recorded as current expenses.

Intangible and tangible fixed assets are recorded in the balance sheet according to the cost model.

Subsequent costs relating to the maintenance and repair of intangible and tangible fixed assets are incurred to keep them in working order. These costs are reflected as current costs/expenditure.

5.5 Financial claims and investments

ICM independently determines the terms and conditions for the provision of non-bank lending services, in accordance with the approved Policies and Regulations, and which are stipulated in the non-bank credit agreement. Non-bank loans are granted in national currency (MDL). Non-bank loans granted are accounted for as short-term financial investments and are divided according to the purpose for which the non-bank loans are granted (consumer non-bank loans). Non-bank loans granted and interest receivables calculated to be collected are valued at nominal value. Default interest and penalties on non-bank loans granted are recognised as income only when there is reasonable assurance that they will be collected or when they are collected.

Impaired *trade receivables* are settled at the expense of the current reporting period following the annual direct method inventory.

5.6 Other assets

Stock accounting was kept by subdivision in quantitative and value terms. Incoming stocks are reflected in the financial statements at their entry value. Materials consumed in the provision of services are included in the cost of services. Imported stocks are valued in Moldovan lei by recalculating the foreign currency at the exchange rate of the NBM established at the date of the customs declaration. The value of tyres and accumulators procured separately from the means of transport has been settled under current costs/expenses in full amount with the reduction of stocks. Goods with an insignificant weight are entered in the stock records accounts when purchased and are deducted from current costs and/or expenses when they are transferred to use. The net realisable value of inventories is determined at the reporting date using the inventory method.

The composition of *items of small value and short duration* includes goods, the unit value of which does not exceed the ceiling set by legislation. Items of low value and of short duration, the unit value of which does not exceed the ceiling set by legislation, are settled under current costs/expenditure at the time they are put into service.

Current *prepaid expenses* include: special regime forms, insurance and technical overhaul of means of transport, press subscriptions, domain maintenance and other costs incurred in the current period but relating to future periods. Prepaid expenditure is charged to current costs/expenditure on a straight-line basis, evenly by type over the period to which it is attributed.

5.7 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects part or all of the provision to be repaid, the repayment is recognised as a separate asset, but only when repayment is virtually certain. The expense relating to a provision is shown in the statement of profit or loss without any reimbursement. Provisions are recognised in accordance with the Internal Regulation, and is in line with the recommendations of the National Commission of Financial Markets, "Regulation on the classification of assets by non-bank lending organisations", approved by Decision No. 60/4 of 16.12.2019. During 2021, the MCI's non-bank loan portfolio was tested monthly for forecasting purposes. The provisions created were booked to the expense accounts, their cancellation was booked to the income accounts.

5.8 Financial debts

Financial liabilities include liabilities relating to: loans and borrowings received for a fixed term and for a specific payment (interest); assets received under finance leases. Principal-related payables are recognised as loans and borrowings are received and are recorded either as an increase in cash or other assets or as a decrease in those payables at the same time as the increase in long-term or current liabilities. Interest-related payables are recognised as they are calculated in accordance with the contractual terms and are recorded as an increase in current expenses or in the value of long-lived assets and an increase in liabilities.
Long-term and short-term liabilities are reflected in the balance sheet at amounts due for payment.

5.9 Other bonds

The company does not establish provisions to cover possible expenses (losses) for repairs and servicing during the warranty period of assets sold.

According to the amendments made to the SNC the company establishes provisions for employee benefits - i.e. provisions for unused redundancy, which are accounted for annually at the end of the financial year.

ICM applies the general taxation regime with tax paid on taxable income. Income tax expense is accounted for using the current income tax method. The rate of income tax on entrepreneurial activity for 2021 is equal to 12%.

5.10 Income

Sales proceeds comprise proceeds from non-bank credit contracts in the form of:

a) *primary income:* interest, non-bank credit agreement fee, administration fee, guarantee fee;
b) *secondary income:* penalties - daily late payment interest, penalty for the first notification, penalty for the second notification, penalty for the prevention of the termination of the non-bank credit agreement, penalty for the notification of the termination of the non-bank credit agreement, monthly rate suspension fee.
c) *other income:* overpayments on non-bank overdue credit contracts, non-bank credit insurance commission, other financial income.

Revenue from sales is recognised separately for each transaction. Revenue from the rendering of services is recognised on a full-service basis. Adjustments to current revenue during the reporting period have been made by making reversal and supplementary accounting entries.

Revenue is recognised and reflected in the financial statements after:

- for *primary income: the* "calculation method" in the period in which they occurred, regardless of the time of receipt or payment of funds and other forms of compensation.
- for *secondary income*: 'the cash method during the period in which the cash and other forms of compensation were received.

Interest income is recognised under the terms of the contract as the interest payment terms set out in the contract between the company and the customer occur. Adjustments to income during the reporting period are made by making reversal accounting entries to the credit of the income statement accounts. Revenue and results are reflected in the report on financial results separately by type of company activity.

5.11 Expenditure

Cost of sales comprises the cost of services rendered, other expenses related to sales revenue, i.e. services related to loan contracts, interest expenses paid on loans/credits received. Adjustments to expenditure during the reporting period are made by making reversals to the debit side of the expenditure accounts.

Export/import operations of assets/services and other international trade transactions are initially accounted for in national currency by applying the official exchange rate of the Moldovan Leu on the date of the customs declaration.

5.12 Related parties

Related party is considered: entity that directly or indirectly controls another entity; associated entity - entity in which, another entity has significant influence over financial and operating policies but is neither a parent entity nor a participant in a joint venture; subsidiary entity - entity controlled by the parent (principal) entity; partners in a partnership; entity that is controlled or jointly controlled by an individual and/or a close family member of that individual (such as: parents, spouse and their children); an individual or a close member of that individual's family (parents, spouse and their children) who has significant influence over the entity or is a key member of the entity's management (e.g. member of the entity's board, executive body, audit committee or other governing body) and thereby participates in the management of the entity's financial and operating policies.

6. Means

Cash and bank accounts	31.12.2021 thousands, MDL	31.12.2020 thousands, MDL
Bank accounts	92 166	71 849
Cash in ATMs	13 081	4 636
Money in transit	16 293	7 983
Cash in the till	14	21
Other financial means	40	0
Total	**121 594**	**84 489**

During the reporting period ICM has developed its own ATM network through which customers can withdraw the amount of their loan. At the same time, ICM has developed its own system of continuous recording and checking of the availability of banknotes in the ATMs. The services of transporting, loading, counting of banknotes loaded/withdrawn in/out of ATMs is outsourced and the process is documented for each operation by the external company and confirmed by ICM's information system thus making the inventory of banknotes. In the next period we aim to complete the project and include the developed information system in the audit scope.

7. Intangible assets

	2021 thousands, MDL	2020 thousands, MDL
Cost of entry		
At the beginning of the reporting period	**6 750**	**6 722**
Entries	6	28
Derecognition and cancellations	0	0
At the end of the reporting period	**6 756**	**6 750**
Depreciation and amortisation		
At the beginning of the reporting period	**-4044**	**-2741**

Accumulated depreciation	-1 278	-1 303
Derecognition and cancellations	0	0
At the end of the reporting period	**-5 322**	**-4 044**
Balance sheet value at 31.12.	**1434**	**2706**

Intangible assets are computer software and computer licences. As at 31 December 2021 the cost of fully amortized intangible assets amounted to 351 thousand MDL (as at 31 December 2020: 315 thousand MDL).

8. Tangible fixed assets

	2021 thousands, MDL	**2020 thousands, MDL**
Cost of entry		
At the beginning of the reporting period	**8 894**	**6 567**
Entries	2 371	2 495
Derecognition and cancellations	1 016	168
At the end of the reporting period	**10 248**	**8 894**
Depreciation and amortisation		
At the beginning of the reporting period	**-4 126**	**- 2 074**
Accumulated depreciation	-2 390	-2 111
Derecognition and cancellations	-904	-59
At the end of the reporting period	**-5 613**	**-4 126**
Balance sheet value at 31.12.	**4 635**	**4 768**

As at 31 December 2021, the cost of fully depreciated property, plant and equipment amounted to MDL 1 767 thousand (as at 31 December 2020: MDL 1 231 thousand).

The Company has no tangible fixed assets pledged, mortgaged or given as security for certain debts. At the same time, it has no assets received under lease and has not incurred any repair costs. During the reporting period there were no indications of impairment of assets. At the end of the reporting period, the company uses all the tangible fixed assets it owns in its activity.

During the reporting period ICM incurred repair costs of leased premises totalling MDL 391 thousand, MDL 105 thousand were recognised as expenses of the period and MDL 286 thousand were recognised as property, plant and equipment.

9. Financial investments

Non-bank loans are granted in Moldovan lei (MDL) to individuals on the basis of non-bank credit contracts. As of 31.12.2021, the MCI recorded the number of active non-bank loans in the amount of 76 818 loans, and the number of beneficiaries in the amount of 69 190 individuals. All loans are consumer loans with or without collateral and the maximum exposure amount as of 31.12.2021 was in the amount of 198 thousand MDL.

Portfolio Net	**31.12.2021 thousands, MDL**	**31.12.2020 thousands, MDL**
Gross portfolio	819 354	743 345
Calculated interest	42 450	84 915
Provisions	-175 271	-214 535
Portfolio Net	**686 533**	**613 725**

thousands, MDL

31.12.2021 Category of credit/ Debt	**Non-bank loans**			**Interest**	**Provizion**
	Total	**Guaranteed**	**Negarantate**		
Standard	**425 842**	53 607	372 235	6 995	**8 663**
Supervised	**247 475**	2 650	244 825	6 263	**12 687**
Substandart	**19 000**	1 310	17 690	1 712	**6 213**
Dubious	**14 742**	3 025	11 717	2 407	**10 290**
Compromise	**112 295**	8 749	103 546	25 123	**137 418**
Total	**819 354**	**69 341**	**750 014**	**42 450**	**175 271**

thousands, MDL

31.12.2020 Category of credit/ Debt	**Non-bank loans**			**Interest**	**Provizion**
	Total	**Guaranteed**	**Negarantate**		
Standard	**538 382**	110 341	428 041	8 125	**10 931**
Supervised	**22 621**	4 324	18 297	1 975	**1 230**
Substandart	**19 233**	4 341	14 892	5 027	**7 278**
Dubious	**63 468**	19 356	44 112	31 033	**56 701**
Compromise	**99 641**	10 783	88 858	38 755	**138 395**
Total	**743 345**	**149 145**	**594 200**	**84 915**	**214 535**

Non-bank loans are granted in Moldovan lei (MDL) to individuals under non-bank credit agreements. As of 31.12.2021, the MCI recorded the number of active non-bank loans in the amount of 76 818 loans, and the number of beneficiaries in the amount of 69 190 individuals. The amount of maximum exposure as of 31.12.2021 was in the amount of 198 thousand MDL.

At 31.12.2021 ICM has no long-term financial investments.

10. Claims

The carrying amount of each group of receivables at the beginning and end of the reporting period, including the current portion of long-term receivables, is shown below:

Groups of claims	31.12.2021 thousands, MDL	31.12.2020 thousands, MDL
Current related party claims	0	22 577
Budget claims	1 799	19 997
Staff claims	15	14
Calculated claims related to credit contracts	42 500	84 915
Other current receivables	8 222	24 714
Total	**52 777**	**152 217**

During the reporting period no trade receivables were impaired. At the end of the reporting period, guarantees received from non-bank credit contracts amounting to **MDL 155 118 thousand** were recorded.

11. Stocks

The information on stocks for the year 2021, in the context of the provisions of the SNC "Stocks", is shown in the table below.

Types of stocks, thousands MDL	Material	Items of low value and short duration	Goods	Total
Cost of entry				
At the beginning of the reporting period	**94**	**2 304**	**0**	**2 398**
Entries	1 727	535	5	2 267
Outputs	-1 804	-216	-5	2 024
At the end of the reporting period	**17**	**2 623**	**0**	**2 640**
Depreciation and amortisation				
At the beginning of the reporting period	0	2 304	0	2 304
Accumulated depreciation	0	535	0	535
Derecognition and cancellations	0	216	0	216
At the end of the reporting period	**0**	**2 623**	**0**	**2 623**
Balance sheet value 31.12.2021	**17**	**0**	**0**	**17**

12. Other assets

	31.12.2021 thousands, MDL	31.12.2020 thousands, MDL
Current prepaid expenditure	66	37
Other current assets	6	7
Total	**72**	**44**

13. Equity capital

ICM has the sole shareholder holding the maximum share in the share capital of AS "IUTECREDIT EUROPE", ESTONIA - 4 358 768 lei (100%).

	2021 thousands, MDL	2020 thousands, MDL
Retained earnings (unappropriated loss) at the beginning of the period	233 424	261 216
Corrections to previous years' result recorded	-785	0
Distributed dividend	0	-12 190
Recorded result of the management period	76 020	-15 602
Total	**308 659**	**233 424**

14. Financial debts

thousands, MDL	31.12.2021	maturity		Currency
		Up to 1 year	1-5 years	
Loans from affiliated persons, of which:	**341 595**	341 595	0	EUR
Associate	*341 595*	*341 595*	*0*	EUR
Loans from unaffiliated persons, of which:	**126 515**	30 471	96 044	MDL, EUR, USD
Bank loans	*89 005*	*30 471*	*58 534*	MDL, EUR
Non-resident loans	*5 854*	*0*	*5 854*	EUR
Resident loans	*31 656*	*0*	*31 656*	MDL, EUR, USD
Calculated interest	**3 834**	3 834	0	MDL, EUR, USD
Total	**471 944**	**375 900**	**96 044**	

thousands, MDL	31.12.2020	maturity		Currency
		Up to 1 year	1-5 years	
Loans from affiliated persons, of which:	**105 633**	105 633	0	EUR
Associate	*105 633*	*105 633*		EUR
Loans from unaffiliated persons, of which:	**389 624**	47 257	342 367	MDL, EUR, USD

Bank loans	*90 669*	*47 257*	*43 412*	MDL, EUR
Non-resident loans	*269 784*	*0*	*269 784*	EUR
Resident loans	*29 171*	*0*	*29 171*	MDL, EUR, USD
Calculated interest	**3 087**	3 087	0	MDL, EUR, USD
Total	**489 344**	**155 977**	**342 367**	

At the reporting date the ICM did not have any debts with a payment term of more than 5 years. As of 31.12.2021 ICM recorded the total amount of secured debts which amounted to 94 859 thousand MDL and the book value of assets pledged as collateral for debt coverage amounted to 133 684 thousand MDL. At the same time the company's assets are pledged as collateral for the bond issue carried out by the sole Associate IUTECREDIT EUROPE and constituting present and future claims denied in favour of other creditors as well as pledge on bank accounts.

15. Other debts

Other debts	**31.12.2021 thousands, MDL**	**31.12.2020 thousands, MDL**
Trade debts	2 074	1 355
Liabilities to current related parties	5 986	3 046
Debts to staff	490	1
Social security and medical debts	2 121	1 108
Debts to the budget	3 642	1 738
Current prepaid income	4 278	22 278
Other debts	18 089	5 575
TOTAL	**36 680**	**35 101**

"Other payables" include economic transactions related to customer overpayments/overpayments payables to related parties for financial guarantees provided as well as payables to the supervisory body for the supervisory fee calculated for Tr-4-2021 .

As at 31 December 2021, ICM's balance sheet does not include lease obligations for the rental of sub-offices through which ICM conducts its lending business. The annual rental payments are set out in note 18. During the year under review, the lease contract for the rental of the premises at bd. The early termination was due to changes in the contractual conditions proposed for amendment by the landlord.

During the reporting period, debts with expired limitation period in the total amount of MDL 1 024 thousand were settled under current revenues.

During 2021 the company received subsidies, namely:

Grant type	**2021 thousands, MDL**
Subsidies for interest on bank loans contracted between 1 May 2020 and 31 December 2020	116
Subsidy for the creation of jobs with disabilities	27
TOTAL	**143**

As at 31 December 2021 and 31 December 2020, the book value of the grants was MDL 0.

16. Provisions

In 2021 ICM has established and used provisions, the balances and increases/decreases of which are:

Type of provision, thousands MDL	Provisions for loans	Unused leave	Other provisions	Total
At the beginning of the reporting period	214 535	1 464	0	215 999
Increases	139 137	1 037	370	140 544
Reductions	-178 401	0	-334	-178 735
At the end of the reporting period	**175 271**	**2 501**	**36**	**177 808**

"Other provisions" comprise provisions set aside for gains on non-cash ICM partner sellers.

Note: As at 31 December 2021 the balance of unused leave provisions are disclosed in a separate line item, i.e. line 830.

17. Income

Types of income, thousands MDL	2021	2020
Sales revenue, of which	490 347	508 353
Interest and commission income	361 475	400 317
Penalty income	128 872	108 036
Other operating income	1 281	636
Income from fixed and exceptional assets	123	3
Income related to exchange rate and amount differences	35 304	21 963
Income related to favourable differences between the NBM official rate and the buying rate	1 249	4 444
Other financial income	23 021	48
Exceptional income	0	4
TOTAL	**551 325**	**535 451**

18. Expenditure

Types of expenditure, thousands MDL	2021	2020
Cost of sales, of which	58 949	66 028
Interest expenses	*58 949*	*66 028*
Distribution expenses	19 949	11 970
Administrative expenditure, of which	218 065	134 664

Expenditure on staff remuneration	*44 049*	*32 817*
Depreciation and amortisation charges	*3 669*	*3 414*
Expenditure on taxes and duties	*25*	*51*
Other administrative expenditure	*170 322*	*98 382*
Other operating expenses, of which	8 036	8086
Rent expenses	*6 784*	*6 605*
Other operating expenditure	*1 252*	*1 481*
Expenses related to exchange rate and amount differences	18 436	54 268
Expenditure on fixed and exceptional assets	112	108
Financial expenditure, of which	139 137	271 088
Expenditure on provisioning of non-bank loans	*139 137*	*271 088*
Expenses related to unfavourable differences between the NBM official rate and the buying rate	2 750	4 840
Income tax expenditure	9 872	0
TOTAL	**475 306**	**551 052**

The remuneration expenses of the Executive Management amounted to a total of MDL 7 570m for 2020.

19. Value of accounting items denominated in foreign currency

Groups of items, thousands MDL	**EUR**	**USD**	**MDL**	**Total**
Situation on 31.12.2021				
Current receivables and other current assets	9	0	52 840	52 849
Cash and money documents	43 959	0	77 635	121 594
Long-term loans	8 988	728	27 793	37 510
Short-term loans	344 882	4	342	345 228
Current liabilities of related parties	5 986	0	0	5 986
Current trade payables	0	0	2 074	2 074
Other current liabilities	12 425	0	5 663	18 088

Groups of items, thousands MDL	**EUR**	**USD**	**MDL**	**Total**
Situation at 31.12.2020				
Current receivables and other current assets	34 475	0	117 785	152 260
Cash and money documents	20 620	0	63 870	84 490
Long-term loans	272 384	728	25 843	298 955
Short-term loans	108 286	7	345	108 638
Current liabilities of related parties	3 046	0	0	3 046
Current trade payables	0	0	1 355	1 355

Other current liabilities	0	0	5 575	5 575

As at 31.12.2021 ICM Company has in counter units and/or foreign currency signed loan agreements with non-resident investors, resident investors, as well as with its sole associate. Rental, consultancy and financial guarantee contract. Deposit contract serving as collateral for one of the bank loans taken out with a local commercial bank.

20. Subsequent events

On January 25, 2022, the State Tax Inspectorate initiated a full planned control on the basis of the Order on the approval of the tax control plan for 2022 of December 1, 2021 and the Decision on the initiation of the tax control of January 25, 2022. The tax control was carried out on the spot using the method of total verification of the correctness and completeness of the calculation and payment of taxes and duties for the tax period 01.01.2018-31.12.2021, except for the income tax from entrepreneurial activity for the period A/2017-A/2020, which was subject to thematic verification. On 02 March 2022, the tax audit period was completed with the submission of the tax audit act in which conclusions and proposals are set out, which the ICM assesses as insignificant on the ICM activity and financial statements.

On 24 February 2022, the Parliament of the Republic of Moldova adopted a state of emergency, siege and war for a period of 60 days, until 23 April 2022. The decision was based on the regional security situation (armed conflict in Ukraine). Several measures were announced, mainly related to the regime of entry and exit of Ukrainian citizens from the country and on the territory of the country, the establishment of special regime for the use of airspace, etc. The management of the MCI considered that these measures will not have a significant impact on the activity of the MCI and its financial situation.

21. Related parties

ICM's main shareholder with 100% of the shares is AS IUTECREDIT EUROPE AS, registered in Estonia.

ICM's management has not identified significant transfer pricing risks as the company's main income and expenses are related to lending activities. Transactions with the company's associate are related to loan rates and financial guarantees provided in the normal course of business and are marked to market. Management believes that there are no significant price and fee risks arising from transactions between the shareholder and ICM.

Transactions are entered into with related parties in the normal course of business. The volume of transactions with related parties, balances outstanding at year end and income and expenses for the year are disclosed in the notes above.

According to the Accounting and Financial Reporting Law no.287/2017 art.4 par.(4)-(7) and SNC "Presentation of Financial Statements", ICM is assigned to the category of medium-sized entity and will present complete financial statements.

22. Proposed profit distribution

The management of ICM proposes to the sole shareholder to allocate the retained earnings as follows:

Company profit for 2021	**thousand MDL**
Profit 2021	76 020

Coverage of previous years' losses	-16 181
Dividend distribution	-20 345
Balance of retained earnings after appropriations	**39 494**

18 March 2022

Natalia RUSU

Chief Financial Officer

Lilian GUZUN

Director