



MOORE STEPHENS KSC ASSURANCE SRL  
175 Calea Floreasca, Floreasca Tower Building,  
2nd floor, District 1  
Bucharest – Romania  
T +4 0374 490 074  
F +4 0374 094 191  
E info@moorestephens-ksc.ro  
www.moorestephens-ksc.ro

## INDEPENDENT AUDITOR'S REPORT

### *To the Shareholders of AXI FINANCE IFN SA*

#### *Opinion*

1. We have audited the financial statements of AXI FINANCE IFN SA (hereinafter "the Company") which comprise the statement of financial position as at 31 December 2020 and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and Notes to the financial statements, including a summary of the significant accounting policies.
2. The individual financial statements as at 31 December 2020 are identified as follows:

- Total Equity	3,271,604 Lei
- Loss for the financial year	2,003,877 Lei
- Total assets	16,948,349 Lei
3. In our opinion, the accompanying financial statements present fairly, in all material aspects the financial position of AXI FINANCE IFN SA as at 31 December 2020 and its financial performance and cash flows for the year then ended, in accordance with the National Bank Order of Romania no. 6/2015 for the approval of the accounting regulations in compliance with the European directives ("OBNR no.6 / 2015").

#### *Basis for opinion*

4. We conducted our audit in accordance with the International Standards on Auditing ("ISAs"), EU Regulation No. 537 of the European Parliament and the European Council (hereafter "the Regulation") and Law No 162/2017 (the "Law"). Our responsibilities under these standards are further described in the Auditor's Responsibilities section in an audit of the financial statements in our report. We are independent of the Company, according to the Ethics Code of Professional Professionals issued by the International Ethics Standards Board for Accountants (IESBA Code), according to the ethical requirements that are relevant for the audit of the financial statements in Romania, including the Regulations and the Law, and we have fulfilled ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty related to Going Concern*

5. We draw attention to Note 16 "Going concern" to the financial statements, which describes that the financial statements have been prepared on a going concern basis although for the year ended 31 December 2018 the Company incurred a loss amounting to 2,003,877 Lei. Moreover, as mentioned in Note 16 the company has the necessary financial resources to return to an increased level of activity and expects that during 2021 it will register a progressive increase of the credit disbursement activity, with positive effects in the financial results. Our opinion is not modified in respect of this matter.

#### *Independence*

6. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code).

#### *Key audit matters*

7. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended at December 31, 2020. The aspects mentioned below were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key matter
<b><i>Adjustments for impairment of receivables on customers</i></b>	
<p>As at 31 December 2020, the Company recorded gross claims on customers in the amount of RON 16.391.579 and a related depreciation adjustment in the amount of RON 2.630.338.</p> <p>The basics of the policy for determining the adjustment for impairment of receivables from customers are presented in Note 1 I. and subsequently in Note 3 to the Financial Statements. The principles for calculating the write-down for impairment are set for Regulation 5/2012 of the National Bank of Romania, with subsequent amendments.</p> <p>Due to the significant share of receivables from customers, accounting for more than 50% of the total assets of the Company, we believe this is a key aspect of the audit.</p>	<p>Impairment adjustments are determined by management using a methodology based on customer information and the number of days of delay. We focused on the following professional judgments and estimates that could lead to significant errors that are likely to be interpreted by management:</p> <ul style="list-style-type: none"> <li>- The completeness and timing of recognition of depreciation events based on the number of days delay and the existence of recovery procedures;</li> <li>- Compliance of the model and calculation with the requirements of Regulation 5/2012 of the National Bank of Romania.</li> </ul> <p>In order to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>- We reviewed the depreciation methodology and performed verifications to validate data integrity to ensure that the parameters taken into account by the Company in the calculation of the impairment adjustment are correct;</li> <li>- We evaluated the estimate of depreciation adjustments and tested the mathematical accuracy of the impairment related calculations;</li> <li>- We evaluated and tested the key assumptions adopted by management.</li> </ul>

*Other information – Administrators' report*

8. Administrators are responsible for compiling and presenting other information. That other information includes the Administrators' Report but does not include the financial statements and the auditor's report thereon.
9. Our opinion on the financial statements does not cover this other information and, unless the case explicitly mentions our report, we do not express any kind of insurance conclusion about them.
10. With regard to the audit of the financial statements for the year ended 31 December 2020, it is our responsibility to read other information and, in this regard, to assess whether that other information is materially inconsistent with the financial statements or with the knowledge we have obtained during the audit, or if they appear to be materially distorted.
11. Based on the activities performed during the audit of the financial statements, in our opinion:
  - a) The information presented in the Administrators' Report for the financial year for which the financial statements were prepared is consistent, in all material respects, with the financial statements.
  - b) The administrators' report was drawn up, in all significant aspects, in accordance with Order no. 6/2015.
12. In addition, based on our knowledge and understanding of the financial statements for the year ended December 31, 2020, regarding the Company and its environment, we did not identify information that was included in the Administrators' Report that was materially misstated.

*Responsibilities of the Management and of the responsible persons for the Governance for Financial Situations*

13. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Order no. 6/2015 for the approval of Accounting Regulations compliant with European directives 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.
14. In preparing the financial statements, management is responsible for assessing the ability of the Company 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.
15. Those charged with governance are responsible for overseeing the financial reporting process of the Company.

*Auditor's Responsibilities in an Audit of Financial Statements*

16. 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 ISA's 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.

17. 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 internal control of the Company.
- 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 ability of the Company 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 Society 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.
- Obtain sufficient appropriate audit evidence regarding the financial information Company to express an opinion on financial statements.

18. We communicate to 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 identified during our audit.

19. We also provide those charged with governance a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

20. From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### *Other aspects*

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

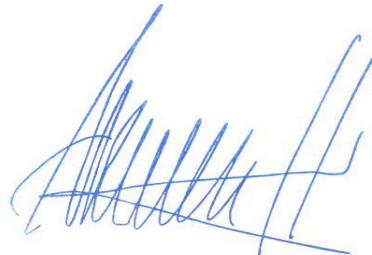
#### *Report on other legal and regulatory provisions*

22. We were engaged to audit the financial statements of AXI FINANCE IFN SA for the financial year ended December 31, 2020 according to the contract no. 275/11.12.2020 and according to Resolution of the ordinary general meeting of the shareholders of AXI FINANCE IFN SA from 12 November 2020. The total uninterrupted duration of our commitment is 3 years, covering the financial years ended December 31, 2020, 2019 and 2018.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Audit Committee, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- We did not provide the Company with prohibited non-audit services, referred to in Article 5 (1) of EU Regulation no. 537/2014.

Bucharest, 21 May 2021



**ANDREI MARIUS STAN**

Registered with the Chamber of Financial Auditors in Romania  
with number 5145/11.07.2016

Registered with the Authority for the Public Oversight  
of the Statutory Audit Activity (ASPAAS)  
seria: 117240, number: AF5145 from 16 January 2020

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)

Auditator Financiar: STAN ANDREI MARIUS  
Registrul Public Electronic: AF 5145

**On behalf of MOORE STEPHENS KSC ASSURANCE S.R.L.:**

Registered with the Chamber of Financial Auditors in Romania  
With number 1266 / 07.09.2015

Registered with the Authority for the Public Oversight  
of the Statutory Audit Activity (ASPAAS)  
seria: 117794, number: FA1266 from 06 February 2020

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)

Firma de Audit: MOORE STEPHENS KSC  
ASSURANCE S.R.L.  
Registrul Public Electronic: FA 1266

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR  
CONCLUDED ON 31<sup>ST</sup> DECEMBER 2020

Drafted according to the Order of the National Bank of Romania no. 6 / 2015 for  
the approval of accounting regulations compliant with the European  
directives, applicable to the credit institutions, non-banking  
financial institutions and fund for the guarantee of deposits  
in the bank system with the subsequent modifications

## **TRANSLATION FROM ROMANIAN**

### **Contents**

REPORT OF INDEPENDENT AUDITORS	
BALANCE SHEET .....	3
PROFIT AND LOSS ACCOUNT .....	6
SITUATION OF TREASURY FLOWS .....	8
SITUATION OF MODIFICATIONS OF EQUITY CAPITAL .....	11
INFORMATIVE DATA .....	15
STATUS OF FIXED ASSETS .....	25
VERIFICATION OF BALANCE SHEET CORRELATIONS .....	
NOTES TO FINANCIAL STATEMENTS .....	
REPORT OF ADMINISTRATORS .....	
DECISION OF THE GENERAL ASSEMBLY .....	
STATEMENT .....	

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

BUCHAREST COUNTY | 4 | 0 |      Form of property: Joint stock company | 3 | 4  
 Institution denomination: AXI FINANCE IFN SA |  
 Address: Bucharest locality, 1<sup>st</sup> district, 19 - Activity (the main activity will be registered)  
 23 Bd. Primaverii, Bucharest, 1<sup>st</sup> district Other credit activities  
 Phone number: 0214109899 Fax: Group NACE code 6492  
 021/410.98.96 CUI: 35116319  
 Number from the Trade Register: J40 / 12493  
 / 2015

BALANCE SHEET  
 concluded on 31<sup>st</sup> December 2020

- lei -

Asset	Position code	Note	Financial year	
			prior	concluded
A	B	C	1	2
Petty cash and other cash equivalent	010		1,680	8,048
Receivables on credit institutions	030		47,095	183,233
- at sight	033		47,095	183,233
- other receivables	036			
Receivables on clients	040		11,685,006	13,761,241
Bonds and other titles with fixed income	050			
- issued by public bodies	053			
- issued by other issuing parties, out of which:	056			
- personal bonds	058			
Shares and other titles with variable income	060			
Shares, out of which:	070			
- shares at credit institutions	075			
Shares within legal commercial companies, out of which:	080			
- shares within credit institutions	085			
Intangible assets, out of which:	090		102,905	39,192
- incorporation expenses	093			
- goodwill, to the extent in which it has been purchased for good and valuable consideration	096			
Tangible assets, out of which:	100		78,388	90,274
- lands and buildings used within the purpose of performing personal activities	105			
Not paid subscribed share capital	110			
Other assets	120		1,948,070	544,703
Expenses registered in advance and involved incomes	130		1,772,376	2,321,658
Total assets	140		15,635,520	16,948,349

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

**BALANCE SHEET**  
concluded on 31<sup>st</sup> December 2020

- lei -

Receivables and equity capital	Position code	Note	Financial year	
			prior	concluded
A	B	C	1	2
Receivables concerning credit institutions	300			
- at sight	303			
- on term	306			
Receivables concerning the clients	310			
- at sight	317			
- on term	318			
Receivables established by titles	320			
- bonds	323			
- other titles	326			
Other receivables	330		13,534,074	9,186,727
Incomes registered in advance and involved receivables	340		3,221,132	4,386,683
Provisions:	350		101,961	103,335
- provisions for pensions and similar liabilities	353			
- provisions for taxes	355			
- other provisions	356		101,961	103,335
Subordinated receivables	360			
Subscribed share capital	370		2,675,523	9,076,320
Capital premiums	380			
Reserves	390			
- legal reserves	392			
- legal or contractual reserves	394			
- other reserves	399			
Reevaluation reserves	400			
Own shares (-)	410			
Reported result				-3,800,839
- Profit	423			
- Loss	426		1	3,800,839
Result of the financial year				-2,003,877
- Profit	433			
- Loss	436		3,897,169	2,003,877
Distribution of profit	440			
Total receivables and equity shares	450		15,635,520	16,948,349

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**BALANCE SHEET**  
 concluded on 31<sup>st</sup> December 2020

- lei -

Elements outside the balance sheet	Position code	Note	Financial year	
			prior	concluded
A	B	C	1	2
Contingent receivables, out of which:	600			
- acceptance and endorsements	603			
- guarantees and pledged assets	606			
Commitments, out of which:	610		6,376,749	10,237,925
- commitments related to the sale transactions with possibility of buy-back	615			

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
*- illegible signature -*

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**  
**REGISTERED SOLE TRADER**

**CECCAR MEMBER**  
**Signature**  
*- illegible signature -*  
 Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

**PROFIT AND LOSS ACCOUNT**  
concluded on 31<sup>st</sup> December 2020

- lei -

Indicator denomination	Position code	Note	Financial year	
			prior	concluded
A	B	C	1	2
Interests to receive and similar incomes, out of which:	010		15,427,787	20,494,522
- related to bonds and other titles with fixed income	015			
Interests to pay and similar expenses	020			
Incomes concerning titles	030			
- Incomes from shares and other titles with variable income	033			
- Incomes from shares	035			
- Incomes from shares from the related commercial companies	037			
Incomes from fees	040			
Expenses with fees	050		174,095	181,778
Net profit or loss from financial activities	060		-265,893	-322,751
Other operational incomes	070		6,701	40,826
General administrative expenses	080		12,904,702	13,377,554
- Expenses with the personnel, out of which:	083		4,612,977	4,898,598
- Salaries	084		4,512,332	4,788,754
- Expenses with social insurances, out of which:	085		100,645	107,471
- expenses related to pensions	086			
- Other administrative expenses	087		8,291,725	8,478,956
Corrections on the value of intangible and tangible assets	090		107,142	114,750
Other operational expenses	100		2,381,996	2,746,820
Corrections on the value of receivables and provisions for contingent debts and commitments	110		14,513,459	14,675,198
Resumptions from corrections on the value of receivables and provisions for contingent debts and commitments	120		11,015,630	8,879,626
Corrections on the value of transferable titles which have feature of financial assets, of contributions and shares from the related commercial companies	130			
Resumptions from corrections on the value of transferable titles which have feature of financial assets, of contributions and shares from the related commercial companies	140			

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

<b>Result of current activity</b>				
- Profit	153			
- Loss	156		3,897,169	2,003,877
Extraordinary incomes	160			
Extraordinary expenses	170			
<b>Result of extraordinary activity</b>				
- Profit	183			
- Loss	186			
Total incomes	190		27,589,806	29,634,447
Total expenses	200		31,486,975	31,638,324
Gross result				
- Profit	213			
- Loss	216		3,897,169	2,003,877
Tax on profit	220			
Other taxes which do not appear in the abovementioned elements	230			
<b>Net result of the financial year</b>				
- Profit	243			
- Loss	246		3,897,169	2,003,877

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
*- illegible signature -*

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**  
**REGISTERED SOLE TRADER**

**CECCAR MEMBER**  
**Signature**  
*- illegible signature -*  
 Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

### SITUATION OF TREASURY FLOWS concluded on 31<sup>st</sup> December 2020 - direct method -

- lei -

Indicator denomination	Position code	Note	Financial year	
			prior	concluded
A	B	C	1	2
Treasury flows from operational activities				
+ cash collection from interests and fees	01			
- payments in cash representing interests and fees	02		-173,521	-181,819
+ cash collection from receivables recovery	03			
- payments in cash to employees and providers of goods and services	04		-13,840,750	-12,743,520
± other collected incomes / paid expenses in cash from the operational activity	05		-906,666	-787,870
Treasury flows from the operational activity, only modifications of assets and debts of operational activity and paid tax on profit (line 01 to 05)	06		-14,920,937	-13,713,209
<i>Increases / decreases of assets related to the operational activity</i>				
± increases / decreases of titles which do not have the feature of financial assets	07			
± increases / decreases of receivables concerning the credit institutions	08			
± increases / decreases of receivables concerning the clients	09		8,506,129	11,686,832
± increases / decreases of assets related to the operational activity	10			
<i>Increases / decreases of debts related to the operational activity</i>				
± increases / decreases of debts concerning credit institutions	11			
± increases / decreases of debts concerning the clients	12			
± increases / decreases of other debts related to the operational activity	13			
Treasury flows from the operational activity, only paid tax on profit (line 06 to 13)	14		-6,414,808	-2,026,377
- payments in cash representing tax on profit	15			
<b>Treasury flows from operational activities (line 14 + line 15)</b>	<b>16</b>		<b>-6,414,808</b>	<b>-2,026,377</b>

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

Treasury flows from investment activities				
- payments in cash for the purchase of branches or other subunits	17			
+ collections of cash from the sale of branches or other subunits	18			
- payments in cash for the purchase of titles which have the feature of financial assets	19			
+ collections of cash from the sale of titles which have feature of financial assets	20			
+ collections in cash representing received interests	21			
+ collection in cash representing received dividends	22			
- payments in cash for the purchase of lands and fixed means, intangible assets and other long-term assets	23			
+ collections in cash from the sale of lands and fixed means, intangible assets and other long-term assets	24			
- other payments in cash related to investment activities	25			
+ other collections in cash from investment activities	26			
<i>- Treasury flows from investment activity (line 17 to 26)</i>	27			
Treasury flows from financing activities				
+ collections in cash from debts established by titles and subordinated debts	28			
- payments in cash related to the debts established by titles and subordinated debts	29			
+ collections in cash from the issuance of shares or parts	30			
- payments in cash for the purchase of own shares or parts	31			
+ collections in cash from the sale of own shares or parts	32			
- payments in cash representing dividends	33			
- other payments in cash related to the financing activities	34			
+ other collections in cash from financing activities	35		6,168,980	2,169,030
<i>Treasury flows from financing activities (line 28 to 35)</i>	36		6,168,980	2,169,030
± Effect of modification of rate exchange on cash	37		-20,680	-147
<b>Treasury flows - total (line 16 + line 27 + line 36 + line 37)</b>	38		-266,508	142,506
<b>Cash at the beginning of period</b>	39		315,283	48,775

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Cash at the end of period (line 38 + line 39)	40		48,775	191,281
---	----	--	--------	---------

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
- *illegible signature* -

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**

**REGISTERED SOLE TRADER**  
**CECCAR MEMBER**

**Signature**  
- *illegible signature* -  
Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**SITUATION OF MODIFICATIONS OF EQUITY CAPITAL**  
 on 31<sup>st</sup> December 2020

- lei -

Element of equity capital	Note	Balance on 1 <sup>st</sup> January	Increases		Decreases		Balance on 31 <sup>st</sup> December
			Total, out of which	by transfer	Total, out of which	by transfer	
0	1	2	3	4	5	6	7
Subscribed capital		2,676,523	6,400,797				9,076,320
Capital premiums							
Legal reserves							
Legal or contractual reserves							
Reevaluation reserves							
Own shares (-)							
Other reserves							
Reported result							
Undistributed profit							
Uncovered loss			3,800,839				3,800,839
Reported result representing undistributed profit, respectively the uncovered loss							
Credit balance							
Debit balance							
Reported result originated from the modification of accounting policies							
Credit balance							
Debit balance							
Reported result originated from the correction of accounting errors							

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Credit balance						
Debit balance						
Reported result representing the excess made from reevaluation reserves						
Reported result originated from the application of accounting regulations compliant with the European directives						
Credit balance						
Debit balance						
Result of the financial year						
Credit balance						
Debit balance		3,897,169	2,003,877		3,897,169	2,003,877

Note 1:

The presentation in figures, according to the example mentioned above, must be accompanied by information referring to:

- type of modifications;
- applied fiscal treatment, if applicable;
- type and purpose for which the reserves have been established;
- any other significant information.

Note 2:

The modifications of equity capitals are presented for the two financial years, prior and current.

**ADMINISTRATOR,**

**Name and forename**

**SERBAN FLOR**

**Signature**

*- illegible signature -*

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**SITUATION OF MODIFICATIONS OF EQUITY CAPITAL**  
 on 31<sup>st</sup> December 2020

- lei -

	Note	Share capital	Capital premiums	Legal reserves	Result of the financial year	Other equity capital					Total of equity capital
						Legal or contractual reserves	Own shares (-)	Reevaluation reserves	Reported result	Other equity capital	
Balance upon the conclusion of the financial year N-1		2,675,523	0	0	-3,897,169	0	0	0	0	0	-1,221,646
Modifications (increases of decreases), out of which:		6,400,797	0	0	1,893,292	0	0	0	-3,800,839	0	4,493,250
paid-up share capital		6,400,797	0	0		0	0	0	0	0	6,400,797
result of current financial year		0	0	0	-200,387	0	0	0	0	0	-2,003,877
adjustment of 2019 year reported result		0	0	0		0	0	0	96,330	0	96,330
passing to the reported resulted share capital		0	0	0	3,897,169	0	0	0	-3,897,169	0	0
-											
- Other modifications											
Balance upon the conclusion of the financial year N		9,076,320	0	0	-2,003,877	0	0	0	-3,800,839	0	3,271,604

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Note 1:

The presentation in figures, according to the example mentioned above, must be accompanied by information referring to:

- type of modifications;
- applied fiscal treatment, if applicable;
- type and purpose for which the reserves have been established;
- any other significant information.

Note 2:

The modifications of equity capitals are presented for the two financial years, prior and current.

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
*- illegible signature -*

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**  
**REGISTERED SOLE TRADER**

**CECCAR MEMBER**  
**Signature**  
*- illegible signature -*

Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**INFORMATIVE DATA**  
 on  
 31.12.2020

30

- lei -

I. Data concerning the recorded result	Position code	Unit number	Amounts	
A	B	1	2	
Units which have recorded profit	101			
Units which have recorded loss	102		2,003,877	
Units which have not recorded profit or loss				

II. Data concerning the outstanding payments	Position code	Total col. 2 + 3	out of which:	
			For current activity	For the investment activity
A	B	1	2	3
Outstanding payments - total (pos. 202 + 206 + 212 to 216 + 221), out of which:	201			
Outstanding providers - total (pos. 203 to 205), out of which:	202			
- over 30 days	203			
- over 90 days	204			
- over 1 year	205			
Outstanding obligations to the budget of social insurances - total (pos. 207 to 211), out of which:	206			
- contributions for public social insurances due by employers, employees and other similar persons	207			
- contributions for the fund of social health insurances	208			
- contribution for additional pensions	209			
- contributions for the budget of insurances for unemployment	210			
- other social debts	211			

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

Outstanding obligations to the budget of special funds and other funds	212			
Outstanding obligations to other creditors	213			
Taxes, fees and contributions not paid on the established term to the public budget, out of which:	214			
- insurance contribution for employment:	214a			
Taxes and fees not paid on the established term to the local budgets	215			
Loans received and not reimbursed on the due date - total (pos. 217 to 220), out of which:	216			
- outstanding amounts up to 30 days	217			
- outstanding amounts after 30 days	218			
- outstanding amounts after 90 days	219			
- outstanding amounts after 1 year	220			
Not paid interests related to the received loans	221			

30

III. Number of employees	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Average number of employees	301	70	75
Effective number of employees existing at the end of the period, respectively on 31 <sup>st</sup> December	302	71	78

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

IV. Royalties paid during the reporting period, collected subsidies and outstanding receivables	Position code	Amounts - lei -
A	B	1
Royalties paid during the reporting period for the goods of public domain, received under concession, out of which:	401	
- royalties for the goods from public domain paid to the public budget	402	
Rents paid during reporting period for lands 1):	403	
Gross incomes from paid services to non-residing persons, out of which:	404	
- tax due to the public budget	405	
Gross incomes from services paid to non-residing persons from member states of the European Union, out of which:	406	
- tax due to the public budget	407	
Subsidies collected during the reporting period, out of which:	408	
- subsidies collected during the reporting period related to assets	409	
- subsidies related to incomes, out of which:	410	
- subsidies for the stimulation of employment *)	411	
- subsidies for energy from renewable sources	412	
- subsidies for fossil fuels	413	
Outstanding receivables, which have not been collected on the terms provided in the commercial contracts and / or in the normative documents in force, out of which:	414	
- outstanding receivables from entities from the majority or fully public sector	415	
- outstanding receivables from entities from private sector	416	
 V. Meal vouchers granted to employees	Position code	Amounts

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

A	B	1
Countervalue of meal vouchers granted to employees	501	
Countervalue of meal vouchers granted to other categories of beneficiaries, other than the employees	502	

VI. Expenses performed for the research - development activity **)	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Research - development expenses	601		
- out of which, performed within the purpose of lowering the impact of the entity' activity on the environment or of the development of some new technologies or some more sustainable products	602		
- on financing sources (pos. 604 + 605), out of which:	603		
- from public funds	604		
- from private funds	605		
- on the type of expenses (pos. 607 + 608), out of which:	606		
- current expenses	607		
- capital expenses	608		

VII. Innovation expenses ***)	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Innovation expenses:	701		
- out of which, performed within the purpose of lowering the impact of the entity' activity on the environment or of the development of some new technologies or more sustainable products	702		

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

VIII. Information concerning the expenses with collaborators	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Expenses with collaborators	801		363,921

IX. Information concerning the goods of the public domain of the state	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Value of goods from the public domain of the state under administration	901		
Value of goods from the public domain of the state under concession	902		
Value of leased goods from the public domain of the state	903		

X. Information concerning the goods from the private ownership of the state subject to inventory according to the Order of the Minister of Public Finance sand Deputy Minister for budget no. 668 / 2014, with the subsequent modifications and completions	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Net accounting value of goods 2)	1000		

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

XI. Paid - up share capital *****)	Position code	Financial year			
		Prior		Concluded	
A	B	Amounts Col. 1	% 3) Col. 2	Amounts Col. 3	% 3) Col. 4
Paid-up share capital 3), (pos. 1110 + 1113 + 1117 + 1118 + 1119 + 1120), out of which:	1100	2,675,523	X	9,076,320	X
- held by public institutions (pos. 1111 + pos. 1112), out of which:	1110				
- held by public institutions of central subordination	1111				
- held by public institutions of local subordination	1112				
- held by companies with state capital, out of which:	1113				
- with full state capital	1114				
- with majority state capital	1115				
- with minority state capital	1116				
- held by government business enterprise	1117				
- held by companies with private capital	1118	2,675,521		9,076,318	
- held by individuals	1119	2		2	
- held by other entities	1120				

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

XII. Dividends / Payments for the state or local budget, to be distributed from the profit of financial year by national companies, national companies and government business enterprises ****)	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Total amounts, out of which:	1121		
- to central public institutions	1122		
- to local public institutions	1123		
- to other shareholders at which the state / territorial administrative units / public institutions hold directly / indirectly shares, whether of their weight	1124		

XIII. Dividends / Payments for the state or local budget and transferred during the reporting period from the reported profit of national companies, companies and government business enterprises ****)	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Total amounts, out of which:	1130		
- dividends / payments from the financial year profit of the prior year, out of which transferred:	1131		
- to central public institutions	1132		
- to local public institutions	1133		
- to other shareholders at which the state / territorial administrative units / public institutions hold directly / indirectly shares, whether of their weight	1134		
- dividends / payments from the profit of the financial year prior to the prior year, out of which transferred:	1135		
- to central public institutions	1136		
- to local public institutions	1137		
- to other shareholders at which the state / territorial administrative units / public institutions hold directly / indirectly shares, whether of their weight	1138		

XIV. Dividends distributed to shareholders from the reported profit	Position code	Financial year	
		Prior	Concluded
A	B	1	2
- dividends distributed to shareholders during the reporting period from the reported profit	1139a		

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

XV. Intermediary distribution of dividends according to the Law no. 163 / 2018	Position code	Financial year	
		Prior	Concluded
A	B	1	2
- distributed intermediary dividends 4)	1139b		

XVI. Other information	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Turnover *****)	1140	26,444,323	29,374,148
Paid-up share capital	1141	2,675,523	9,076,320
Tangible assets *****)	1142	78,388	90,274
Equity capital	1143	-1,221,646	3,271,604
Debts: amounts which must be paid within a period of one year	1144	1,760,147	5,760,278
Debts: amounts which must be paid within period longer than a year	1145	14,995,059	7,813,132
Result of the financial year (Loss / Profit)	1146	-3,897,169	-2,003,877
Debt degree (loaned share capital / equity capital)	1147	-12	2
Profitability (Profit / Turnover)	1148	-0.15	-0.07

XVII. Receivables taken by assignment from legal entities	Position code	Financial year	
		Prior	Concluded
A	B	1	2

## TRANSLATION FROM ROMANIAN

### AXI FINANCE IFN SA FINANCIAL STATEMENTS 31<sup>ST</sup> DECEMBER 2020

Receivables taken by assignment from legal entities (at the nominal value), out of which:	1149		
- receivables taken by assignment from affiliated legal entities	1150		
Receivables taken by assignment from legal entities (at purchase cost), out of which:	1151		
- receivables taken by assignment from affiliated legal entities	1152		
XVIII. Expenses concerning calamities and other similar events	Position code	Financial year	
		Prior	Concluded
A	B	1	2
Expenses concerning calamities and other similar events, out of which:	1153		
- flood	1154		
- draught	1155		
- landslip	1156		

\*) Subventions to stimulate employment (transfers from state budget to employers) – represent the amounts awarded to employers for the payment of the graduates of the educational institute, stimulating the unemployed who get employed before the end of the period of unemployment, stimulating employers who employ on a indefinite time unemployed aged over 45 years, unemployed who are the only ones to support their families or unemployed who, within 3 years from the date of the employment meet the criteria to demand anticipated partial retirement or to receive the retirement for the age limit, or for other situations under the legislation related to the unemployment insurance system and stimulation of employment.

\*\*) It shall be filled in with the expenses for the research-development activity, respectively fundamental, applicative research, technological development and innovation, established in line with the provisions of Governmental Decision no.57/2002 regarding scientifically and technological development, as further amended and completed by Law No. 324/2003, with subsequent amendments and completions. Expenses will be filled in according to the Implementing Regulation (EU) No. 995/2012 of the Commission of October 26, 2012 laying down the detailed rules for the implementation of Decision No. 1608/2003/EC of the European Parliament and of the Council concerning the production and development of Community statistics on science and technology published in the Official Journal of the European Union, series L, No. 299 of October 27, 2012.

\*\*\*) To be completed with innovation expenses in accordance with the Regulation (EC) no. 995/2012 for the settlement of the implementation norms of the Decision no.1608/2003/EC of the European Parliament and of the Council regarding the production and development of community statistics in the fields of science and technology, published in the Official Journal series L no. 299/October 27, 2012.

\*\*\*\*) To be reported only by institutions, other than the credit institutions, with state capital, which are organized and function based on the Law of companies no. 31/1990, republished, with the subsequent modifications and completions and of the Law no. 15/1990 concerning the reorganization of public economic units as government business enterprises and commercial companies, with the subsequent modification and to which the state is shareholder or holds directly or indirectly a share.

\*\*\*\*\*) For the receivables taken by assignment from legal entities, their nominal value and their purchase cost will be filled in.

\*\*\*\*\*\*) For the calculation of this indicator, the provisions of point 103 align. (2) second thesis of the methodological rules to apply Title VII of the fiscal code, approved by the Government Decision no. 1/2016 will be taken into account. According to these legal provisions, upon determining the turnover based on which the fiscal period used for declaring and paying VAT is established take into account the taxation basis written on the lines from the fee expense claim corresponding to the deliveries of goods / supply of taxable services and / or exempted with right of deduction and / or deliveries of goods / supply of services for which the location of delivery / supply is considered abroad, according to the provisions of art. 275 and 278 of the Fiscal Code, but which give the right to deduction according to art. 297 align. (4), let. b) of the fiscal code, as well as the lines of adjustments related for the status of “affiliated legal entities”, art. 7 point 26 let. c) and d) of the Law no. 227 / 2015 concerning the Fiscal code, with the subsequent modifications and completions will be taken into account.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

\*\*\*\*\*) to the net accounting value

- 1) Shall be included the rents paid for occupied lands (agricultural harvests, pastures, hay etc.) and corresponding to commercial facilities (terraces etc.) belonging to private owners or to certain units of the public administration, including rents for the use of bodies of water for leisure or in other purposes (fishing etc.).
- 2) To be filled-in by economic operators which the provisions of the Order of minister of public finances and of the minister appointed for budget no. 668 / 2014 are incident for the approval of the Mentions concerning the drafting and update of the centralized inventory of real estates private property of state and real rights subject to inventory, with the subsequent modifications and completions.
- 3) To the section "XI Paid in subscribed capital " in lines 1110 - 1120, in column 2 and column 4, entities shall write in the percent corresponding to the share capital held in the total of the paid in share capital written in line 1100.
- 4) At this line, the dividends distributed are contained according to Law no. 163 / 2018 for the modification and completion of Law of accountancy no. 82 / 1991, modification and completion of Law of societies no. 31/1990, as well as the modification of Law no. 1 / 2005 concerning the organization and functioning of cooperation. The dividends presented at position 1121 are not reported.

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
*- illegible signature -*

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**  
**REGISTERED SOLE TRADER**

**CECCAR MEMBER**  
**Signature**  
*- illegible signature -*  
Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**STATUS OF FIXED ASSETS**

40A

- RON -

Gross value of elements from assets	Position code	Initial balance	Increases	Discounts		Final balance (col. 5 = 1 + 2 + 3)
					Total	
A	B	) (1)	2 (2)	3 (3)	4 (4)	5 (5)
Intangible assets	101				X	
Goodwill	102				X	
Incorporation expenses	103	222,221	21,864		X	244,085
Advance payments and pending intangible assets	104				X	
Total (pos. 101 to 104)	105	222,221	21,864		X	244,085
Tangible assets					X	
Lands	106				X	
Landscaping	107					
Buildings	108					
Technological equipments (machines, tools and work installations)	109					
Measurement, control and adjustment installations and devices	110					
Transport means	111					
Furniture, office, protection equipments of human and material values and other tangible assets	113	195,240	41,060			236,300
Advances and pending tangible assets	114				X	
Total (pos. 106 to 114)	115	195,240	41,060			236,300

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Financial assets						
Public effects and similar values	116				X	
Bonds and other titles with fixed incomes	117				X	
Shares in related commercial companies	118				X	
Shares and portfolio activities	119				X	
Total (line 116 to 119)	120				X	
Fixed assets - total (line 105 + 115 + 120)	121	417,461	62,924			480,385

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**STATUS OF FIXED ASSETS**

40B

**- RON -**

Depreciations related to elements of assets	Position code	Initial balance	Depreciation during the year	Depreciation related to the deregistered assets	Depreciation at the end of the year (col. 9 = 6 + 7 - 8)
A	B	6 (1)	7 (2)	8 (3)	9 (4)
Intangible assets					
Goodwill	131				
Incorporation expenses	132				
Other intangible assets	133	119,316	85,577		204,893
Total (pos. 131 to 135)	134	119,316	85,577		204,893
Tangible assets					
Landscaping	135				
Buildings	136				
Technological equipments (machines, tools and working installations)	137				
Measurement, control and adjustment devices and installations	138				
Transport means	139				
Furniture, office, protection equipments of human and material values and other tangible assets	141	116,852	29,174		146,026
Total (pos. 135 to 141)	142	116,852	29,174		146,026
Depreciations - total (pos. 134 + 142)	143	236,168	114,751		350,919

**TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

**STATUS OF FIXED ASSETS**

40C

- RON -

Provisions for the depreciation of elements of assets	Position code	Initial balance	Provisions established during the year	Resumed provisions at incomes	Final balance (col. 13 = 10 + 11 - 12)
A	B	10 (1)	11 (2)	12 (3)	13 (4)
Intangible assets					
Goodwill	151				
Incorporation expenses	152				
Other intangible assets	153				
Advance payments and pending intangible assets	154				
Total (pos. 151 to 154)	155				
Tangible assets					
Lands	156				
Landscaping	157				
Buildings	158				
Technological equipments (machines, tools and work installations)	159				
Measurement, control and adjustment installations and devices	160				
Transport means	161				
Furniture, office, protection equipments of human and material values and other tangible assets	163				
Advances and pending tangible assets	164				
Total (pos. 156 to 164)	165				

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Financial assets						
Public effects and similar values	166					
Bonds and other titles with fixed incomes	167					
Shares in related commercial companies	168					
Shares and portfolio activities	169					
Total (line 166 to 169)	170					
Fixed assets - total (line 155 + 165 + 170)	171					

**ADMINISTRATOR,**  
**Name and forename**  
**SERBAN FLOR**

**Signature**  
*- illegible signature -*

**DRAFTED**  
**Name and forename**  
**CRISTIANA CATUNEANU**  
**REGISTERED SOLE TRADER**  
**CECCAR MEMBER**

**Signature**  
*- illegible signature -*

Registration no. in the professional body 18051

The annual financial statements are signed by the de jure persons, containing clearly their name.

The quality of the person who has drafted the annual financial statements is completed as follows:

- economic director, chief accountant or another person appointed by the written decision of the administrator;
- individuals or legal entities, authorized according to the law, members of the Body of Chartered Accountants and Authorized Accountants of Romania.

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### CORRELATIONS BETWEEN THE BALANCE SHEET MODEL, THE PROFIT AND LOSS ACCOUNT AND INFORMATIVE DATA

Balance sheet - col. 1	relationship	Profit and loss account - col. 1		
433	=	243		OK
436	=	246		OK
Balance sheet - col. 2		Profit and loss account - col. 2	Informative data	
433	=	243	= 101	OK
436	=	246	= 102	OK

### CORRELATIONS BETWEEN THE BALANCE SHEET FORM AND THE FIXED ASSETS FORM

Form code 40	Relationship	Balance sheet form	
40A.105(col.5) - 40B.134(col.4)-40C.155(col.4)	=	090(col.2)	OK
40A.115(col.5) - 40B.142(col.4) - 40C.165(col.4)	=	100(col.2)	OK

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### **1. NOTE 1 - PRINCIPLES, POLICIES AND ACCOUNTING METHODS**

The main accounting policies adopted upon drafting these financial statements are presented below:

#### **A. Basis of drafting the financial situations**

##### **(1) General information**

These financial situations have been drafted according to:

(i) Accounting Law 82 / 1991 republished (“Law 82”);

(ii) Law no. 93 / 2009 concerning the non-banking financial institutions;

(iii) Order of the National Bank of Romania no. 6 of 17<sup>th</sup> July 2015 for the approval of the accounting Regulations compliant with the European directives, applicable to the credit institutions, non-banking financial institutions and fund for the guarantee of deposits in the bank system with the subsequent modifications (“Order 6/2015”);

(iv) Regulation of the National Bank of Romania no. 5 of 8<sup>th</sup> March 2012 concerning the classification of credits and establishment, adjustment and use of specific provisions of credit risk applicable to the entities supervised by the National Bank of Romania, other than the credit institutions (“Regulation 5 / 2012”);

(v) Regulation of the National Bank of Romania no. 20 of 13<sup>th</sup> October 2009 concerning the non-banking financial institutions with the subsequent modifications and completions (“Regulation 20 / 2009”).

These financial statements have been drafted based on the convention of the historical cost, with the exceptions presented further in the accounting policies.

##### **(2) Use of estimates**

The drafting of financial statements according to the Order 6 / 2015 requires the Company management to make estimates and hypothesis which affect the reported values of assets and liabilities, the presentation of contingent assets and debts on the drafting date of the financial statements and the incomes and expenses reported for that period. However, these estimates are done by Company management based on the best information available on the date of financial statements, the performed results can be different from those estimates.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### (3) Continuity of activity

These financial statements have been drafted based on the principle of activity continuity which presupposes that the Company will continue its activity in the foreseeable future. To evaluate the applicability of this presumption, the management analyses the forecast referring to the future cash entries and the support received from shareholders.

### (4) Currency for the submission of financial statements

The accountancy is kept in Romanian language and national currency. The elements included in these financial statements are presented in RON.

#### B. Conversion of transactions into a foreign currency

The Company Transactions in a foreign currency are registered at the rate exchanges communicated by the National Bank of Romania (“BNR”) for the date of transactions. At the end of each month, the balances in the foreign currency are converted in RON at the rate exchanges communicated by the National Bank of Romania for the last banking day of the month. The profit and losses resulted from the settlement of transactions in a foreign currency and from the conversion of monetary assets and debts expressed in a foreign currency are recognized in the profit and loss account, within “Net profit or loss from financial operations”.

#### C. Intangible assets

The intangible assets are measured initially at cost. After the initial recognition, the intangible assets are registered at cost minus the cumulated depreciation and the loss cumulated from depreciation.

All the intangible assets in the balance on 31<sup>st</sup> December 2016 have determined life cycle and are depreciated based on the linear method:

##### *(i) Concessions, patents, licenses, trademarks, similar rights and assets*

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

The concessions, patents, licenses, trademarks, similar rights and assets are registered at the purchase cost or at the contribution value.

The patents, licenses, trademarks and similar assets are depreciated using the linear method for a period of 3 years.

### *(ii) Advance payments and other intangible assets*

The advance payments granted to the providers of intangible assets, the computer programs created by the entity or purchased from third parties for the personal use necessities, as well as other intangible assets are registered in the advance payments and other intangible assets.

The expenses which allow the intangible assets to generate future economic benefits over the performance provided initially are added to their original cost. These expenses are capitalized as intangible assets if not integral part of the tangible assets.

## D. Tangible assets

### (1) Cost / evaluation

The tangible assets are evaluated initially at the purchase cost.

The company has not registered reevaluations of tangible assets and these are kept at historical cost.

The maintenance and repairs of tangible assets are written on expenses when these occur, and the significant improvements brought to the tangible assets, which increase the value or their life cycle, or which increase significantly the capacity to generate some economy benefits by it, are capitalized.

### (2) Depreciation

The depreciation is calculated at the entry value, using the linear method along the estimate useful life cycle of assets, as follows:

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

<b><u>Asset</u></b>	<b><u>Years</u></b>
Technical installations and machines	1 - 8
Other installations, tools and furniture	3 - 10
Transport means	4 - 5

The depreciation is calculated beginning with the month following to the commissioning and until the full recovery of their entry value.

### (3) Sale / scrapping of tangible assets

The tangible assets which are scrapped or sold are removed from the balance sheet together with the corresponding cumulated depreciation.

Any profit or loss resulted as difference between the incomes generated by the deregistration and the non-depreciated value, including the expenses caused by such an activity, is included in the profit and loss account in “Other operational incomes” or “Other operational expenses”, if applicable.

When the Company recognizes in the accounting value of a tangible assets the cost of a partial replacement (replacement of a component), the accounting value of the replaced part, with the related depreciation, is deregistered.

### E. Depreciation of tangible assets

Upon the conclusion of the financial year, the value of elements of tangible and intangible assets is in agreement with the results of inventory. Within this purpose, the net accounting value is compared with the value established based on the inventory, called inventory value.

The differences acknowledged in minus between the inventory value and the net accounting value of the elements of assets are registered in accounting based on an additional depreciation, in the case of the depreciable assets for which the depreciation is irreversible or an adjustment for depreciation or value loss is performed, then the depreciation is reversible. The inventory value is established depending on the good utility, its condition and the market price.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### F. Financial assets

The financial assets are recognized initially in the balance sheet at the purchase cost. The purchase cost contains the transaction costs. Subsequently, the financial assets are evaluated at cost, less than the adjustments cumulated for value loss.

### G. Stocks

The stocks are evaluated initially at purchase cost.

### H. Other receivables

The trade receivables are registered in the balance sheet at the receivable value, less the provision for the depreciation of these receivables. The provision for the depreciation of trade receivables is established in the case in which objective records exist on the fact that the Company will not be able to collect all the amounts on the initial terms.

### I. Receivables on credit institutions

The receivables on the credit institutions represent the Company investments in the current accounts and deposits at banks.

### J. Receivables on clients and specific provisions of credit risk

#### *(i) Evaluation*

The receivables on the clients contain the credits granted by the Company within the credit contracts and are registered at cost minus the provision for depreciation. The cost of credits is defined as representing advanced funds, minus the total reimbursements. All the credits are recognized when the funds are made available to the clients.

#### *(ii) Provisions for credit risk*

The provisions for the credit risk are established based on the evaluation of the credit portfolio and the advance payments, including uncollected penalties and interests. The provisions are registered on expenses in the profit and loss account, and in the balance sheet these are deducted from the total of uncollected credits and interests.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

The provisions for the credit risk are established based on the Regulation 5 / 2012 concerning the classification of credits and investments, as well as the establishment, adjustment and use of provisions specific to the credit risk and Regulation 20 / 2009.

The regulation applicable to the non-banking financial institutions regulates:

- a) classification of credits granted to the clients from the non-banking financial sector;
- b) determination of the necessary of provisions specific to the credit risk related to classified credits; and
- c) establishment, adjustment and use of provisions specific to the credit risk.

The specific provisions are established for the granted credit contracts, considered as non-performant according to the internal rules and regulations in force. For the credit contracts, the procedure takes into account both the history of the debt service under the matter of paying the interest and the principle on due date and the initiation of judicial procedures concerning the non-performant credits. Following such an evaluation, the classification of loans in five categories results, as follows:

Initiation of judicial procedures Debt service	No judicial procedures have been initiated	Judicial procedures have been initiated
0 - 15 days	Standard	Loss
16 - 30 days	Under observation	Loss
31 - 60 days	Under standard	Loss
61 - 90 days	Doubtful	Loss
Minimum 91 days	Loss	Loss

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

The determination of the necessary of provisions specific to the credit risk is done by applying the coefficient of provision relevant on the obtained taxable income, as follows:

Classification category	Credits registered in currency or indexed at the rate exchange of a currency, granted to debtors - individuals, exposed to currency risk	Credits, other than those from the prior column
Standard	0,07	-
Under observation	0,08	0,05
Under standard	0,23	0,20
Doubtful	0,53	0,50
Loss	1,00	1,00

The credit granted to a debtor is classified in one classification category based on the principle of rating downgrade by contamination, respectively by taking into account the weakest of the individual classification categories.

The establishment of provisions specific to the credit risk is done by including the amount representing the level of the necessary of provisions specific to credit risk in the amounts.

The adjustment of provisions specific to the credit risk is done including the amount representing the difference between the level existing in balance of provisions specific to credit risk and the level of necessary on each category of provisions on expenses or resumption of incomes.

The use of provisions specific to credit risk refers to the annulment of provisions specific to credit risk and is done by the resumption on incomes of the amount representing the level existing in balance of the provisions specific to credit risk related to credits for which one of the following conditions is fulfilled:

- all the legal possibilities for recovery have been exhausted or the statute of limitation has been fulfilled; or
- the contractual rights related to that credit have been transferred.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### K. Cash and equivalent of cash

The cash and equivalent of cash are emphasized in the balance sheet at the historical cost. For the situation of the cash flow, cash and its equivalents contain cash in petty cash, current accounts at banks and deposits at banks with an initial due date less than 3 months.

### L. Share capital

The company has a paid-up share capital by the shareholders in the amount of 2.675.523 lei.

### M. Loans

The short - term loans and long - term loans are registered initially at the received amount, net to the costs related to obtaining loans. During the following period, the loans are registered at depreciated cost using the method of effective yield, the differences between the received amounts (net to the obtaining costs) and the normal value of buy - back being recognized in the profit and loss account during the loan contract.

### N. Commercial debts

The commercial debts are registered at the value of the amounts which are going to be paid for the received goods or services.

### O. Provisions for risks and expenses

The provisions for decommissioning, restructuring, litigations, as well as other provisions for risks and expenses are recognized when the Company has a legal or default obligation generated by a prior event, when for the fulfilment of obligation, it is probably to be necessary an exit of resources and when a reliable estimate can be done concerning the value of obligation. The restructuring provisions contain the direct costs generated by restructuring and namely those which are generated necessarily by the restructuring process and are not related by the permanent performance of the entity' activity. The provisions for future operational losses are not recognized.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### P. Employees' benefits

#### *Pensions and other benefits after retirement*

During the normal period of activity, the Company makes payments to the funds of health, pension and unemployment for its employees at the legal rates. All the Company employees are members of the pension plan of the Romanian state. These costs are recognized in the profit and loss account once with the recognition of salaries.

The company does not manage another plan of pensions or benefits after retirement and, does not have any other type of obligations referring to pensions.

### Q. Taxation

#### *(i) Tax on current profit*

According to the Romanian fiscal regulations, the calculation of the current tax on profit starts from the result of the financial year, corrected by the deductible and non-deductible elements to which taxation rate are applied in force on the conclusion date of the balance sheet.

The annual loss, established by the tax return on profit, is recovered from the taxable profits obtained during the following 7 consecutive years for the annual losses registered beginning with the year 2009. The recovery of losses will be done in the order of their registration, at each payment term of the tax on profit, according to the Romanian legal provisions in force of their registration year.

#### *(ii) Postponed tax on profit*

The company does not recognize the postponed tax on profit.

### R. Interests to receive and similar incomes

The interests to receive and the similar incomes contain interests from the main activity of the Company represented by "other credit activities (micro-credit)".

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

The penalties calculated at the credit contracts are included also in the “Interests and similar incomes”. The penalties related to other assets are included in “Other operational incomes”.

### S. Interests to pay and similar expenses

The expenses with the interests related to loans contracted with credit institutions are recognized periodically, pro rata, once with the generation of that expense, based on commitment accountancy.

### T. Incomes and expenses from fees

The incomes from fees include the incomes related to the services granted to third parties, and the expenses with fees include the expenses related to services supplied by third parties, such as fees for the payment of commercial operations and other expenses or incomes relates to them, expenses for the administration of accounts.

### U. Other operational incomes and expenses

These are registered based on the commitments’ accountancy, during the period to which it refers.

The incomes and expenses are presented at the gross value in these financial statements. In the balance sheet, the debts and receivables from the same partners are presented at the net value when a compensation right exists.

### V. Contingent assets and debts

#### (i) *Contingent assets*

A contingent asset is a potential asset which occurs as consequence of some events prior to the date of the balance sheet and of which existence will be confirmed only by the occurrence or non-occurrence of one or more unsafe future events, which cannot be fully under the Company control.

The contingent assets are not recognized in the financial statements, because these are uncertain, and their recognition could determine the recognition of an income which is never made.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

If the source of an income is safe, the related asset is not a contingent asset and it is proceeded to its recognition in the balance sheet for the period in which the modifications have occurred. The contingent assets are evaluated permanently to provide the compliant presentation in the financial statements of the occurred modifications.

### *(ii) Contingent debts*

A contingent debt is:

- a) Potential obligation, occurred as consequence of some past events, prior to the date of the balance sheet and of which existence will be confirmed only by the occurrence or failure to occur of one or more future uncertain events, which cannot be fully under the Company control; or
- b) A current obligation occurred as consequence of some past events, prior to the date of the balance sheet, but which is not recognized because:
  - It is not sure if resources which embed economic benefits will be necessary for the payment of this debt, or
  - The value of the debt cannot be evaluated enough credibly.

The contingent debts are not recognized in the balance sheet, these are submitted within the elements outside the balance sheet.

The contingent debts are permanently evaluated to determine if it has become probable the exit of resources which includes economic benefits. If it becomes probable that an exit of resources which include economic benefits for an element considered previously contingent debt is necessary, it will be recognized a provision in the financial statements related to the period in which the modification has occurred, excepting the cases in which no credible estimate can be done and, consequently, a debt which cannot be recognized exists, but it will be presented as contingent obligation.

### **W. Comparisons**

The correction of errors related to the previous periods, acknowledged in accounting, is done based on the reported result. Such errors include the effects of mathematical errors, the errors of applying the accounting policies and the wrong interpretation of events.

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

### X. Events subsequent to the balance sheet

The effect of events subsequent to the date of the balance sheet, which supplies the additional information concerning the financial position of the Company and which need adjustments are reflected in the balance sheet and in the profit and loss account, if applicable. The significant events which do not need adjustments are emphasized in the notes to the financial statements.

### 2. NOTE 2 - INFORMATION CONCERNING SOME POSTS FROM THE BALANCE SHEET

		31,12,2019	31.12.2020
<b><u>Other assets</u></b>	<b><u>120</u></b>	<b><u>1.948.070 lei</u></b>	<b><u>544.703 lei</u></b>
Paid - up guarantee deposits		1.689.242 lei	428.652 lei
Advance payments of debtors, invoices to be received		258.828 lei	116.051 lei
<b><u>Other debts</u></b>	<b><u>330</u></b>	<b><u>13.534.074 lei</u></b>	<b><u>9.186.727 lei</u></b>
Due salaries for collaborators / personnel		216.473 lei	252.758 lei
Current debts to the public budget / social insurance budget		333.042 lei	122.932 lei
Other miscellaneous creditors / Providers		1.185.094 lei	997.905 lei
Loans from shareholders (long term / short term)		11.799.465 lei	7.813.132 lei
<b><u>Expenses registered in advance and involved incomes</u></b>	<b><u>130</u></b>	<b><u>1.772.376 lei</u></b>	<b><u>2.321.658 lei</u></b>
Attached receivables (interests / penalties of credits)		2.907.195 lei	3.771.669 lei
Expenses registered in advance		8.143 lei	6.529 lei
Attached provisions of receivables		-1.142.962 lei	-1.456.540 lei
<b><u>Incomes registered in advance and involved debts</u></b>	<b><u>340</u></b>	<b><u>3.221.132 lei</u></b>	<b><u>4.386.683 lei</u></b>
Interest related to the long - term loan		3.195.593 lei	4.403.959 lei
Amounts pending adjustment		25.539 lei	17.276 lei

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### 3. NOTE 3 - SITUATION OF RECEIVABLES AND DEBTS

#### PERIOD UNTIL DUE DATE

Balance on 31 <sup>st</sup> December	TOTAL	D < 3 months	3 months > < 1 year	1 year > < 5 years	D > 5 years
Receivables	13.761.241 lei	13.761.241 lei	-	-	-
Receivables concerning the clients	16.391.579 lei	16.391.579 lei	-	-	-
Provisions concerning the clients	-2.630.338 lei	-2.630.338 lei			

### 4. NOTE 4 - INFORMATION CONCERNING THE PORTFOLIO OF TITLES

- The company does not own bonds and other titles with fixed income, as well as no shares and other titles with variable income, contributions or shares within other commercial companies

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

### 5. NOTE 5 - FIXED ASSETS

- All the intangible assets in balance on 31<sup>st</sup> December 2020, have determined life cycles and are depreciated based on the linear method.
- The patents, licenses, trademarks and similar assets are depreciated using the linear method over a period of 3 years.
- The depreciation of tangible assets is calculated to the entry value, using the linear method over the estimate useful life cycle of the assets.

	GROSS VALUE OF THE ELEMENTS OF ASSETS				DEPRECIATION OF ELEMENTS OF ASSETS			
	Initial balance	Increase	Deduction	Final balance	Initial balance	Depreciation during the year	Depreciation related to assets	Depreciation at the end of the year
Intangible assets								
Other intangible assets	222.221 lei	21.864 lei	0	244.085 lei	119.316 lei	85.577 lei	0	204.893 lei
Total of intangible assets	244.085 lei	21.864 lei	0	244.085 lei	119.316 lei	85.577 lei	0	204.893 lei
Tangible assets								
Furniture, office supplies, protection equipment for human values and materials and other tangible assets	195.240 lei	41.060 lei	0	236.300 lei	116.852 lei	29.174 lei	0	146.026 lei
Total of tangible assets	195.240 lei	41.060 lei	0	236.300 lei	116.852 lei	29.174 lei	0	146.026 lei
Fixed assets - total	417.461 lei	62.924 lei	0	480.385 lei	236.168 lei	114.751 lei	0	350.919 lei

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### **6. NOTE 6 - OWN SHARES AND ISSUED BONDS**

AXI FINANCE IFN SA has a share capital of 9.076.320 lei, divided in 9.076.320 shares, each having a nominal value of 1 lei, numbered from 1 to 9.076.320 and it is owned by shareholders, as follows:

- Bulgarian legal entity ACCESS FINANCE OOD (99,99998%) - 9.076.318 lei
- Bulgarian citizen Stanimir Svetoslavov Vassilev (0.00001%) - 1 lei
- Bulgarian citizen Nedelcho Yordanov (0.00001%) - 1 lei

### **7. NOTE 7 - DISTRIBUTION OF PROFIT**

- The company has not registered profit in 2020.

### **8. NOTE 8 - PROVISIONS**

- on 31.12.2020, the following provisions have been calculated for the granted credits

Delay days	Portfolio			Provision %
	Credit	Interest	Penalties	
< 15	12.382.934,43	1.647.299,52	9.690,56	0,00 %
< 30	687.147,46	242.397,26	54.365,66	5,00 %
< 60	591.580,21	207.921,87	97.603.03	20,00 %
< 90	504.505,60	171.786,50	91.801,77	50,00 %
> 90	2.225.411,89	759.279,67	489.523,06	100,00 %
Total	16.391.579,59	3.028.684,82	742.984,08	

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

Delay days	Portfolio			Provision %
	Credit	Interest	Penalties	
< 15	0.00	0.00	0.00	0.00 %
< 30	-34.357,37	-12.119,86	-2.718,28	5,00 %
< 60	-118.316,04	41.584,37	-19.520,61	20,00 %
< 90	-252.252,80	-85.893,25	-45.900,89	50,00 %
> 90	-2.225.411,89	-759.279,67	-489.523,06	100,00 %
Total	-2.630.338,11	-898.877,16	-557.662,83	

The movements related to the provisions specific to the credit risk from the credit activity during the year have been the following:

	31 <sup>st</sup> December 2020
Balance at the beginning of period	-3.359.012 lei
Additional provisions	-7.700.845 lei
Resumption of provisions	6.972.979 lei
Total	4.086.878 lei

- also, on 31.12.2020, the provisions for not used medical leaves have been registered in the amount of 103.335,00 RON.

### 9. NOTE 9 - INFORMATION CONCERNING SOME POSTS FROM THE PROFIT AND LOSS ACCOUNT

		31.12.2019	31.12.2020
Other operational expenses	100	2.381.996 lei	2.746.820 lei
Expenses with fees		853.242 lei	927.209 lei
Expenses with other taxes / fees / VAT		769.588 lei	677.381 lei
Interests of shareholders' loans		744.938 lei	1.141.501 lei
Other operational expenses		14.228 lei	729 lei

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### **10. NOTE 10 - INFORMATION CONCERNING THE EMPLOYEES AND MEMBERS OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES**

		31.12.2019	31.12.2020
Expenses with the personnel, out of which:	083	4.612.977	4.898.598
- Salaries	084	4.512.332	4.788.754
- Expenses with social insurances, out of which:	085	100.645	107.471
- Expenses related to pensions	086	0	0
Number of employees, out of which:		71	77
- Number of employees from the front office departments		37	42
- Number of employees from the back - office departments		34	35
Average number of employees (with employment contract)		70	77
Number of collaborators (with civil contract)		1	1
Salaries to be paid		31.12.2019 Paid in January 2020	31.12.2020 Paid in January 2021
Personnel - due salaries		204.001,00	235.708,00
Other creditors - salaries of collaborators		12.472,00	17.050,00

### **11. NOTE 11 - TRANSACTIONS WITH AFFILIATED PARTIES**

- in 2016, the company has received loans from the main shareholders, ACCESS FINANCE OOD, in a total value of 246.300 EURO, followed in 2017 by loans in the value of 3.700.000 EURO, in 2018 by loans in the value of 1.600.000 EURO, in 2019 by loans in the value of 1.100.000 EURO and in 2020 in the value of 450.000 for long - term, with due date 5 years from the date of granting each instalment and an interest of 9% per year

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

- the interest is calculated and registers monthly, in EURO, performing a reevaluation at the rate exchange of the National Bank of Romania in the last day of each month
- during December 2017, it has been decided to increase the share capital by the capitalization of 518.478,00 EURO from the granted loans, during 2018 the share capital has been increased by capitalization of 3.863.490,00 EURO, followed in 2020 by the capitalization of 1.314.332,00 EURO from this loan

Period	Balance (EURO)	Rate exchange End of management period	Balance (LEI)
31.12.2016	246.635	4,5411	1.119.994
31.12.2017	3.428.164	4,6597	15.974.216
31.12.2018	1.164.332	4,6639	5.430.328
31.12.2019	2.264.332	4,7793	10.821.922
31.12.2020	1.400.000	4,8694	6.817.160

All loans, bearing interest, are engaged from Access Finance OOD to support the activity of the company AXI FINANCE IFN SA

Transactions related to loans

	Receipt of loans EURO	Reimbursement of loans EURO	Capitalization EURO
2016	246.635	0	0
2017	3.700.000	0	-518.478
2018	1.599.665	0	-3.863.490
2019	1.100.000	0	0
2020	450.000	0	-1.314.332

	Receipt of loans LEI	Reimbursement of loans LEI	Capitalization LEI
2016	1.119.994	0	0
2017	16.916.533	0	-2.384.999
2018	7.445.810	0	-18.000.000
2019	5.441.213	0	0
2020	2.440.044	0	-6.444.806

The capitalizations performed during 2017 - 2020 have been done to observe the provisions of art. 153 align. (1) of the Companies law no. 31 / 1990, republished with the subsequent modifications and completions, "If the board of directors, respectively the directorate, acknowledges that, following some losses, established by the annual financial statements approved according to the law, the net asset of the company, determined as difference between the total of assets and the total of its debts, it has been diminished to less than half of the value of subscribed share capital, the extraordinary general assembly will be immediately

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
 FINANCIAL STATEMENTS  
 31<sup>ST</sup> DECEMBER 2020

summoned to decide if the company must be dissolved.”

Attached interest				
Year of transactions	Value of interest (EURO)	Balance (EURO)	Rate exchange End of management period	Final balance (LEI)
2016	4189,61	4189,61	4.5411	19.025,44
2017	183.495,56	187.685,17	4,6597	874.556,59
2018	328.753,12	516.438,29	4.6639	2.408.616,52
2019	144.426,92	660.865,21	4.7793	3.158.473,10
2020	217.273,54	878.138,75	4.8694	4.276.008,81

During 2018, the company has granted a loan in the value of 144.799,37 RON to M CASH MACEDONIA DOOEL as payments for M CASH MACEDONIA DOOEL to its suppliers, according to the Loan agreement signed on 15.01.2018 and of the Addendum no. 1 / 20.04.2018. The amounts have been fully returned during 2018.

List of performed transactions:

	Granting loans	Reimbursement loans	Balance at the end of period
	RON	RON	RON
2018	144.799,37	144.799,37	0

During 2018, the company has received a loan in the value of 204.536,99 EURO from EASY ASSET MANAGEMENT JSC for long-term, with due date within 5 years from the date of granting each instalment and an interest of 9% per year. The interest is calculated and registered monthly, in EURO, performing a reevaluation at the rate exchange of the National Bank of Romania on the last day of each month.

	Granting loans	Reimbursement loans	Balance at the end of period
	Euro	Euro	Euro
2019	204.536,99	0	204.536,99

Attached interest				
Year of transactions	Value of interest (EURO)	Balance (EURO)	Rate exchange End of management period	Final balance (LEI)

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

2019	7.766,80	7.766,80	4.7793	37.119,87
2020	18.509,08	26.275,88	4.8694	127.947,77

There are no other transactions with affiliated parties besides those presented above.

### **12. NOTE 12 - INFORMATION CONCERNING THE GEOGRAPHICAL MARKETS**

- all the incomes and expenses presented below are related to the transactions performed on the Romanian territory

	31.12.2019	31.12.2020
Interests to be received and similar incomes, out of which:	15.427.787 lei	20.494.522 lei
Incomes from incomes of granted credits	11.842.516 lei	18.437.593 lei
Other incomes from interests of current accounts	0 lei	0 lei
Incomes from penalties of granted credits	3.585.271 lei	2.056.929 lei

Expenses with fees	174.095 lei	181.778 lei
Net profit or loss from financial activities	-265.894 lei	-322.751 lei
Expenses from rate exchange differences	-1.405.581 lei	- 439.317 lei
Incomes from rate exchange differences	1.139.687 lei	116.566 lei

### **13. NOTE 13 - CONTINGENT DEBTS AND COMMITMENTS**

- The company has had on 31.12.2020 commitments to the clients in the value of 10.237.925 lei, representing the difference between the value of approved credits and the value of credits paid to them.

	Approved value of credits	Paid value of credits	Difference to pay 31.12.2020
Commitments in the favor of the client	26.629.505 lei	16.391.580 lei	10.237.925 lei

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

### **14. NOTE 14 - OTHER INFORMATION**

These financial statements are submitted by AXI FINANCE IFN SA and includes the results of the Company activities for the financial year concluded on 31<sup>st</sup> December 2020.

AXI FINANCE IFN SA has been registered at the Trade Register on 12.10.2015 having as main object of activity the performance of other credit activities (micro-credit) based on contract. AXI FINANCE IFN SA has been taken into account and registered into the Trade Register, kept by the National Bank of Romania, with the number RG-PJR-41-110308 / 08.04.2016.

The headquarters of AXI FINANCE IFN SA is in Bucharest, 1<sup>st</sup> district, 19 - 21 Bd. Primaverii, 3<sup>rd</sup> floor.

AXI FINANCE IFN SA has the taxpayer identification code 35116319, being registered at the Trade Register with the no. J40/12493/2015.

The company has as object of activity the granting of credits to individuals.

The share capital of AXI FINANCE IFN SA is owned by:

- Bulgarian legal entity ACCESS FINANCE OOD (99,99998%) - 9.076.318 lei
- Bulgarian citizen Stanimir Svetoslavov Vassilev (0.00001%) - 1 lei
- Bulgarian citizen Nedelcho Yordanov (0.00001%) - 1 lei

The management of AXI FINANCE IFN SA is provided by 1 manager and namely:

- Tsvetan Petkov Krastev, Bulgarian citizen, born on 21.01.1985 in Vidin, Bulgaria, domiciled in Krum complex, Bachvarov, no. 24, entrance G, 5<sup>th</sup> floor, flat 100, Vidin, Bulgaria, identified by the ID no. 644066398, issued by the authorities of Bulgaria on 15.08.2012, PIN 8501211720.

AXI FINANCE IFN SA has begun the activity according to the object of activity beginning with December 2016, after registration at the National Bank of Romania.

The accounting records have been kept according to the Order of the governor of the National Bank of Romania no. 6/2015 for the approval of the Accounting regulations compliant with the European directives, applicable to the credit institutions and Accounting law 82/1991 republished, with the subsequent modifications and completions;

The legally drafted documents have been verified daily and registered in the records of the company.

The trial balances have been drafted monthly, the data contained by it is correct and operated to day.

The balance sheet has been drafted based on the data from the trial balance, all the accounts contained in the balance sheet corresponding to the data from accounting, compliant with the real situation of elements based on the patrimony inventory.

No type of compensations have been done between the balance sheet posts or between the accounts of incomes and expenses.

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

All the patrimony elements have been evaluated according to the regulations in force.

AXI FINANCE IFN SA performs its activity within continuity conditions.

AXI FINANCE IFN SA has observed under all significant matters the provisions of the abovementioned regulations.

The administrator has concluded that the annual financial statements present a loyal image of the financial position, performance, treasury flows and modifications of equity capital.

From the analysis of the trial balance and the results of the inventory of balance sheet posts on 31<sup>st</sup> December 2020, the following results:

**I. FIXED ASSETS** 129.466 lei

**II. FLOATING ASSETS** 14.497.225 lei

Out of which:

Petty cash and other values	8.048 lei
Receivables of credit institutions	183.233 lei
Receivables on clients	13.761.241 lei
Other assets	544.703 lei

**III. EXPENSES IN ADVANCE** 2.321.658 lei

**Total assets** **16.948.349 lei**

**I. EQUITY CAPITAL** 3.374.939 lei

**II. DEBTS** 13.573.410 lei

Out of which:	
Other debts	9.186.727 lei
Incomes registered in advance and involved debts	4.386.683 lei
<b>Total liabilities</b>	<b><u>16.948.349 lei</u></b>

Briefly, the financial situation of AXI FINANCE IFN SA for 2020 is the following:

**I. Total incomes** **29.634.447 lei**

Interests to be received and similar incomes

20.494.522 lei

## **TRANSLATION FROM ROMANIAN**

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Other operational incomes	40.826 lei
Incomes from the differences of rate exchange	116.566 lei
Incomes from provisions	6.972.979 lei
Incomes from recovery of receivables	1.906.647 lei
Incomes from subsidies for the payment of personnel	102.907 lei

### **II. Total expenses**

Expenses with fees	181.778 lei
General administrative expenses	13.480.460 lei
Corrections on the value of intangible and tangible assets	114.750 lei
Other operational expenses	2.746.821 lei
Expenses from rate exchange differences related to the transactions in currency (including net of incomes from the rate exchange differences)	
In the profit and loss account from the financial statements as net profit or loss from financial activities)	439.317 lei
Corrections on the value of receivables and provisions	7.702.219 lei
Losses from the sale of receivables	6.972.979 lei

### **III. Net result of the financial year (Loss)**

**2.003.877 lei**

The main risk which AXI FINANCE IFN SA has faced during 2020 is the credit risk, generated by the failure to fulfill by clients the taken contractual obligations, especially for the failure to pay or delayed payment of instalments and credit interests. AXI FINANCE IFN SA has the measures and mechanisms specific for the management of credit risk by the permanent monitoring of payment delays and / or by applying some actions against each client who registers significant delays.

For 2021, an increase of the activity volume in comparison with the level of 2020 is forecasted.

#### **15. NOTE 15 - EVENTS SUBSEQUENT TO THE BALANCFE SHEET DATE**

- No significant subsequent events have existed from the date of the balance sheet and until the approval of these financial statements.

#### **16. NOTE 16 - CONTINUITY OF ACTIVITY**

As consequence of the situation generated by the COVID pandemics and measures imposed by the state authorities by the incident legislation, the company activity has suffered a negative impact both at operational and at financial levels.

Thus, once with beginning of the emergency situation and the temporary or permanent closure of activity in many domains (HORECA, retail sale, vehicle production, etc.), we have stopped the credit during 15.03. - 30.04.2020.

## TRANSLATION FROM ROMANIAN

AXI FINANCE IFN SA  
FINANCIAL STATEMENTS  
31<sup>ST</sup> DECEMBER 2020

Also, to adapt to the significant lowering of the paid credit volume, pro rate discounts of expenses by technical unemployment of some employees and the diminution of the salaries of the management team by 20% have been implemented.

The collections from clients (reimbursement of credits) have been affected in March - April 2020 and we have offered the postponement of instalments for clients which have requested it and which have met the requirements of the legislation in force, for a period of 1 - 9 months, until the end of 2020.

As a cumulated result of all taken measures, we expect that the activity takes place further within good conditions.

Moreover, the company has the necessary financial resources to return to an increased level of activity and we expect that during the following 6 months we register a gradual increase of the activity for the payment of credits, with positive effects in the financial results.

MANAGING DIRECTOR

Name and forename: Flor Petru Serban

Signature: - *illegible signature* -

Unit stamp: - *stamp affixed* -

DRAFTED,

CRISTIANA CATUNEANU

Quality: Registered sole trader - CECCAR  
member

Signature: - *illegible signature* -  
Registration no. in the professional body

*I, the undersigned, Cornila Anca Maria, sworn translator and interpreter of the foreign languages English - Italian, based on the authorisation 23647/2021, issued by the Ministry of Justice of Romania, hereby certify the accuracy of the translation performed from romanian language into english language,*



*Cornila  
Anca  
Maria*