

# ANNUAL REPORT

## 2021

In accordance with the provisions of Law 24/2017 on issuers of market instruments and operations, republished, ASF Regulation No. 5/2018 on issuers of market instruments and operations, with subsequent additions and amendments, and the BVB Code for the Multilateral Trading System

<b>Report date</b>	29.04.2022
<b>Company name</b>	OCEAN CREDIT IFN S.A.
<b>Head office</b>	Bucharest, Cal. Floreasca 112, et 2, sector 1
<b>Phone number</b>	0758 068 000
<b>Email address</b>	<a href="mailto:info@oceancredit.ro">info@oceancredit.ro</a>
<b>Unique registration code</b>	34353350
<b>Commercial register number</b>	J40/4381/2015
<b>Subscribed and paid-up share capital</b>	3.000.000 lei
<b>Financial instruments</b>	Bonds, nominal value 100 eur, maturity 2026
<b>Market in which financial instruments are traded</b>	Traded on the Multilateral Trading System, BVB, symbol OCIFN26E

## Letter to investors

Dear partners and investors,

The year 2021 marked a turning point for Ocean Credit's business. It's the year we matured, grew a highperforming management team, and laid the foundation for solid growth in the years to come by investing in our team, technology, and new product development.

The new OC 3.0 core banking platform, which has absorbed investments worth 4 million lei, has enabled us to offer our customers the fastest loan flow in the non-banking market and perhaps the most comfortable lending experience. The time from loan application to disbursement can be as short as 4-5 minutes, based on machine learning algorithms and card2card money transfer technology.

The OC 3.0 platform has also made it much easier for us to verify the identity of our customers, by enrolling with Facebook or by video call. These developments will be reflected in the future not only in increased competitiveness, but also in a more efficient risk management system, ensuring sustainable portfolio and business growth.

Last but not least, last autumn, we managed to launch a flagship product, which we have been planning for several years and which we designed to differentiate ourselves in the market, but also to bring more convenience to customers who use fast loans.

This is the Delfin line of credit, launched on October 1, which marks the beginning of a new phase for Ocean Credit, in which we approach a much wider range of customers, including prime customers normally served by banks.

Designed to offer maximum flexibility but also customised costs depending on your risk profile, Delfin has become a healthy alternative for fast credit customers and credit card users who can ditch the plastic backing and transfer their credit line to any debit card.

Starting in October, Ocean customers can use revolving money for 12 months, with no fees when the credit line is not used and at costs starting at 20.2% per year for the best customers.

All these developments would not have been possible without capital market financing. Last year, Ocean Credit took its first step into the stock market and listed the €1.86 million bond issue it issued in the summer in November.

Our results, achievements and the difficulties we have encountered must be seen in the context of a difficult year, still marked by pandemics and a strong price increase.

But our plans remain just as ambitious for the years ahead, and 2022 has started with new launches that will help us achieve our goals.

The Delfin product has been listed in the Volt app, which is becoming an important distribution channel for the credit line, given the app's 60,000+ users.

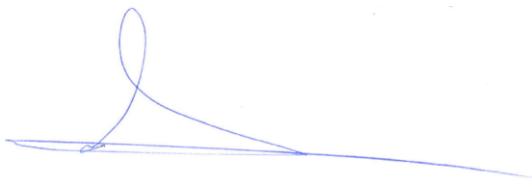
We are also confident that the team we have put together and all the planned initiatives will bring us a volume of at least 5,000 active Dolphins and a total portfolio of 30 million lei in 2022.

Thank you for your trust and we invite you to stay close to us for new investment opportunities in the near future!

Radu Ciorba

Chairman of the Board of Directors

Ocean Credit

A handwritten signature in blue ink, consisting of a large loop followed by a long horizontal stroke.

CUPRINS

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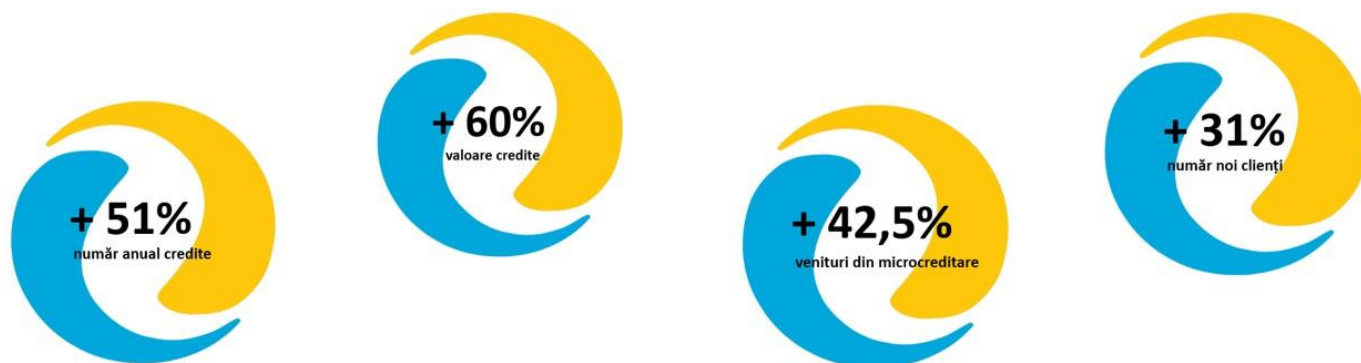
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## RETROSPECTIVE and OUTLOOK

The year 2021 represents an important milestone in the evolution of Ocean Credit IFN S.A. (the Company, the Issuer, the Company, Ocean Credit). After a first stage of definition, consolidation and validation as a concept, business model, vision and market presence, Ocean Credit inaugurates a new development cycle that means rapid business scaling through accelerated growth of financing capacity, conquest of new market segments through diversification of the offer and sustained optimization of fully digitalized operational processes.

The new business cadence was financially supported by the first round of bond issuance through which Ocean Credit attracted financing of €1.84 million. The bonds, subordinated, unsecured, non-convertible, with a fixed annual coupon of 8.75% payable quarterly and a maturity of 5 years from the date of issue (23.07.2021) were admitted to trading on the SMT-BVB on 3 November 2021. The business outlook and the characteristics of the financial instrument ensured, during the 5 months of listing, quotes permanently above the nominal value.

Capital market financing represented a modulation of the financing strategy, generating multiplication of financing opportunities for scaling the business in the medium-long time horizon. On October 1, 2021, the new Delfin product is launched, opening access to more than 3,500 new customers to credit that matches their profile and needs. For 2022, Ocean Credit's management is planning a new capital market financing enabling even lower cost lending to 10,000 new customers.



Operational and financial results in 2021 confirm the traction of the business. The **annual number of loans originated increased by 51% year-on-year, while the value of loans originated increased by 60% and microcredit income increased by 42.5%.**

The success of digital marketing tools, but also the network effect, is reflected in the increase in the **number of new Ocean customers from 2,736 in 2020 to 3,592 in 2021 (+31.3%).**


On the other hand, the **recurrence rate** validates the quality of Ocean's product, but also the alignment of the business with the mission and values assumed by the company's management. Expressed annually, the recurrence rate has evolved from 52.6% in 2018 to 71.4% in 2020 and 74.5% in 2021 respectively.

In terms of loan portfolio quality, the share of doubtful and non-performing loans (loss) was 31.05% of the gross loan portfolio as at 31.12.2021, 1.7 percentage points below the indicator calculated for 31.12.2020. We also note that more than 90% of the value of extended loan contracts are honoured.


Although revenues and activity have shown significant increases in the reporting period, in terms of financial performance, Ocean Credit marks a loss of 354,949 as at 31.12.2021, a result significantly different from that forecast by the listing memorandum. This result is primarily due to the delay in the launch of the Delfin product, which meant extending the testing and maturation period absolutely necessary for any product incorporating elements of machine learning and artificial intelligence. For this reason, in the few months of 2021, the product's risk algorithm was in the phase of accumulating behavioural data, leading to the average loan ticket increasing under fixed price and limit conditions. These issues were subsequently adjusted by adopting the riskbased variable pricing model. At the same time, product development expenses exceeded initial estimates, impacting the financial result.


### Significant events during the reporting period

In 2021, Ocean Credit IFN S.A. has set some important flagships for the development of the business, such as:

-  **February 2021, launch of the OC 3.0 core-banking platform.** After an investment of 4 million lei, the introduction of the OC 3.0 core-banking platform has reduced the time for Ocean customers to grant a loan to only 3-4 minutes. OC 3.0 also brought a new option for users who do not have a Facebook account, namely identity verification via video call in the Zoom platform.




-  **June 2021, the award for the best digital lending product in the NFI space.** The Future Banking award, called "The Best Digital Proposition in the Non-Bank Financial Institutions Market", crowned the Ocean Credit team's ongoing efforts to develop user-friendly and fast digital products, and the jury's decision was even based on the efficiency and performance of the OC 3.0 platform.


-  **October 2021, launch of Delfin**

On 1 October, the Ocean Credit team launched its new product - the Delfin revolving credit line, which allowed customers to get up to 9,000 lei and instant access to money directly on the card. The product has proved a success from the very first months, with 2,000 such loans being granted by the end of 2021.



-  **Implementation of MyOcean version 3.0** - facilitated the launch of the Delfin revolving credit line, operational flow optimisations and training programmes for staff involved in analysis and monitoring



-  **Ocean Credit IFN S.A. enters the NBR Special Register,** the reclassification imposing stricter and more complex reporting and a more rigorous supervisory framework, but raising the level of confidence and visibility in the sector.

## Outlook 2022

In 2022, the issuer's management is pursuing as core objectives with a major impact on business results and performance:

- 🕒 Completion of the integration of the Delfin product into the Volt app, which will allow customers to request, receive and manage their Ocean credits directly from the app
- 🕒 Completion of the automatic variable pricing system for the Delfin and Penguin credit line
- 🕒 Completion of Ocean Credit IFN listing on IUVO peer-to-peer funding platform
- 🕒 Second bond issue of 2 million lei
- 🕒 Integration with the Banking Risk Centre

Ocean Credit IFN aims, by maintaining and optimizing the customer retention factors that have ensured such high return rates, on the one hand, and, on the other hand, by accelerating the pace of attracting new customers through the continued implementation of the integrated product development and digital marketing strategy, to increase the gross value of Ocean's loan portfolio from 10.1 million lei as of 31.12.2021 to 33.6 million lei in 2022.

According to the income and expenditure budget approved by the Resolution of the Board of Directors on 02.08.2021, the implementation of the development plan for 2022 will bring income from lending activities estimated at 16 million lei, more than 100% more than in 2021, while the net result is expected to be positive, amounting to 1.3 million lei.

## ANALYSIS OF THE COMPANY'S ACTIVITY

### Activity description.

Established in **2015** by the company's current CEO and main shareholder, Mr. Radu Ciorbă, Ocean Credit IFN has followed a precisely articulated strategy of organic, natural growth, in step with the market it aims to shape: the consumer market for fully digitized non-bank lending services.

Ocean Credit IFN is the first Fintech IFN to bring a 100% online lending experience and scoring application to the Romanian non-bank lending market, aimed at increasing education and ensuring debt (financial lending) balance for its customers and target market.

Designed and articulated by a team that synergistically combines qualities, skills and multidisciplinary expertise, Ocean Credit's vision and strategy are defined by dynamism, innovation, technology, but also by its proximity to the well-defined and efficiently targeted target consumer, which it serves under conditions of strict responsibility, prudence and risk control.




Ocean Credit products, presented friendly and simply in Ocean tones - Penguin, Dolphin, Crab - are sub-prime credit products that address temporary and acute financing needs of the young, educated and fintech-savvy segment of the population. The innovative character is given by the full automation of the lending process, controlled by algorithms and machine learning and subject to continuous optimization. The business model is multi-vector, being, on the one hand, built on the multi-product paradigm, multiple leveraging and strategic partnerships and, on the other hand, fuelled and supported by the scoring platform

and the Volt instant funds transfer between cards fintech application, with a strong leverage effect for both lending activity and B2B related services.

Thus, the business model integrates, alongside core non-bank lending services for the eligible end consumer, smart, real-time digital marketing services for banking institution partners generating leads at low acquisition costs. Through Volt, Ocean Credit will build a unique and reference "credit card marketplace" for banking and non-banking financial institutions.

The business model is being developed by broadening the niche market currently targeted by the Pinguin product (sub-prime to near-prime) with the integration of the prime segment to which Ocean Credit IFN will offer the new product, Delfin, a revolving credit solution with a maturity of 12 months and a credit limit of up to 8,000 lei. The addressability level of Ocean Credit's offering will be intensively accelerated by the launch of the Volt 2.0 instant funds transfer application which, through its digital marketing and offering interdependencies with Ocean Credit, will amplify Ocean's web traffic, leads, applicants and new and repeat customers. On the other hand, through this application and the interference with its lending activity, Ocean Credit wants to develop a marketplace platform for the unsecured consumer credit sector in Romania.

In connection with its lending services, Ocean also offers

-  access to free financial self-assessment (scoring) and financial education services,
-  real-time person-to-person funds transfer services (between bank loans issued by the same or different banks), and
-  ease of monitoring and management of the loan product. Ocean's products are fully digitised and constantly being improved.

Focused, from the beginning, on the interaction with the customer, who is mainly a mobile phone user, these terminals still absorb more than 90% of the company's traffic.



The lending process relies on [financial education](#), [responsible consumption of credit services](#) and, as a basic tool, [the @Fico score accessible](#) in real time to the customer interested in the Ocean product.
















The underwriting process and risk control system is driven by large database processing by credit scoring engines built to continuously optimize the cost of credit through machine self learning technologies.



The customer is approached with a consumer-centric, 100% online product that ensures the best digital user experience and customer satisfaction.

In the 6 years since its establishment, Ocean Credit has built, in three development phases marked by the three versions of the loan product suite - Ocean 1.0, 2.0 and 3.0 - an innovative microfinance business to individuals with a strong digital DNA and proven traction.



Descriere	Ocean 1.0 (2016)	Ocean 2.0 (2018)	Ocean 3.0 (2021)	
Valoarea creditului	250 – 1.500 lei	500 – 3.500 lei	500 – 8.000 lei	
Dobânda	1,2% / zi	0,19 % / zi	0,19 % – 1% / zi	
Termene de rambursare	1 lună	3 luni	3 luni – 12 luni (opțiune pentru credit de tip revolving)	
Durata transferului (debursării)	1 – 4 zile	instant	instant	1 minut
Durata procesului de aprobare				1 minut
Durata procesului de analiză				1 minut
Rata de recurență (% clienți)				
Rata creditelor neperformante				
Rata conversiei lead-urilor în noi clienți				

### Significant reorganisations

No mergers, divisions, acquisitions or other changes in the Company's assets and liabilities occurred during the reporting period.

### Acquisitions/disposals of assets

During the reporting period, there were no significant acquisitions or disposals of assets. As at 31.12.2021 the value of intangible assets increased more than 21 times, from 24.1 thousand lei to 515.6 thousand lei, following the completion of investments in the development of the Delfin product and the Ocean Credit brand. In 2021, there were no sales or write-offs of property, plant and equipment. As at 31 December 2021, the value adjustment expenses on fixed assets amounted to 90.8 thousand lei.

### Main results

Ocean Credit ended 2021 with a **volume of nearly 16,000 loans originated, up more than 51% from 2020**. Of the total loans originated last year, approximately 26% (4,160) were disbursed to new customers, and 11,540 (74%) were loans to existing customers who have re-applied for Ocean Credit financing solutions.

**The total value of loans granted in the reporting period (32,173.8 thousand lei) exceeded by 60% the value of loans granted in 2020, and the value of interest and commission income (7.7 million lei) increased by 45.2% in the same period.** However, given the expenses for the development of the Delfin product but also the delays with its launch, the **net result for the financial year is negative, the company recorded a loss of 355 thousand lei.**

Net **expenses** on provisions increased by 48%, from 885.8 thousand lei in 2020 to 1,310.4 thousand lei as at 31.12.2021, on the back of the increase in the loan portfolio. At the same time, staff expenses increased by almost 100% compared to the reference period, as the new organisational structure allows for business scaling in 2022.

Ocean's **market share**, calculated as the share of the value of the disbursed loan portfolio in total loans granted by NFIs in Romania, remains below 1% in 2021. However, in terms of competitive position according to performance criteria, Ocean Credit ranks among the top in the NFI market in terms of the

characteristics of its offer, according to the analysis made by the creditrapid.ro platform and the financial information provider financialmarket.ro.

The Company's **liquidity level** as at 31.12.2021 is high compared to both the previous year and the minimum benchmarks. The ratio of current assets to liabilities falling due within 1 year was almost 13, while the same indicator had a value of 2.08 as at 31.12.2020. The development is justified by the level of cash on hand, following the bond issue in July 2021 in the amount of EUR 1.84 million.

### Assessment of the technical level of the Issuer

#### Product portfolio. Structure indicators. New and developing products.

Ocean Credit IFN S.A. operates a single line of business, i.e. the granting of micro-loans to eligible individuals, as a non-bank financial institution.

In the still emerging but highly competitive Romanian non-bank lending market, Ocean is entering with an innovative product offering that, incorporating technology, machine learning processes and automated processing of large databases, addresses the target market with a 100% digital and customer satisfaction oriented lending experience, under conditions of responsible consumption for the customer and controlled risk for the NFI. OCEAN products are unsecured consumer loans delivered digitally through fintech and instant transfer services.

All products are digital and undergo a continuous improvement process to offer customers convenience and instant payment in real time. The company has sought to create and adapt products and services that form a complete and integrated offer of solutions for customer needs, characterized by flexibility but also responsibility. The lending process involves going through intuitive and simplified steps, so that in about 8 minutes, the credit applicant assessed as eligible can take possession of the amount for which he qualifies, fully and transparently informed about all the credit conditions.




The Ocean Credit IFN SA product range includes:

Product	Maturity	Dobandă	Annual Percentage Rate of Charge (APR)
<b>CRAB - reimbursement in a single instalment</b>	<b>15 days</b>	<b>0,311 %/day</b> or 4,66 % for product maturity	<b>199%</b> (APR depends on loan maturity. The longer the maturity, the lower the APR)
<b>Penguin - credit in 3 instalments</b>	<b>90 days</b>	<b>0.199%/day</b> or 17.9%/90 days	<b>99.92%</b> (APR depends on loan maturity. The longer the maturity, the lower the APR)
<b>DELFIN (from October 2021)</b>	<b>line of credit - 12 months</b>	Up to 9,000 lei. Through the VOLT app, <b>OCEAN can convert any customer's debit/salary card into an OCEAN credit card</b> , replenishing the card and debiting it for reimbursement of used amounts will be possible through the VOLT app.	

For the reporting period, in the **revenue structure by product type**, 96% of total revenue is still generated by the Pengiun product, 3% by Delfin and 1% by Crab loans.

In terms of share in total value of loans granted, Delfin loans represent 13.5% while Pengiun holds the dominant position with a share of almost 84.9%.






Ocean Credit launched its **new Delfin product** on October 1, 2021. It will allow loans of up to 8,000 lei in revolving format, a line of credit over a 12-month period. Thus, the company marks the third phase of the development of the Ocean Credit IFN business (Ocean 3.0). This is highlighted by highly competitive differentiators such as:

-  Instant credit bureau scoring
-  customised dashboard that uses and processes data from the customer's credit history (actual or potential)
-  offers of customised credit

solutions

-  real-time financial education

At the same time, for Ocean Credit IFN, this stage means:

-  even lower costs per new customer,
-  higher retention rates
-  lower incidence of credit risk
-  more traffic
-  higher profitability rates

### Evaluation of financing activity

In 2021, the Issuer has diversified its financing strategy, using capital market financing, i.e. by issuing bonds followed by their admission to trading on the Multilateral Trading System administered by Bursa de Valori Bucureşti S.A. (BVB). The issue, with a nominal value of

approximately EUR 1.87 million, carries a fixed annual interest rate of 8.75% payable quarterly, with a maturity of 5 years.

Ocean Credit's management intends to keep this source of financing active in the coming period, planning a bond issue of 2 million lei with a maturity of 5 years in 2022.

In July 2021, the company fully repays the bank loan granted by TBI Bank under the contracted credit line in the amount of 2.5 million lei, other sources of financing of current activity remain the finance lease contract for a car with a balance value of 57.4 thousand lei as of 31.12.2021 and the supplier credit. Payables to suppliers at the end of the reporting period amounted to 522.1 thousand lei, of which 212 thousand lei

represent outstanding invoices in relation to OC Global Limited - a related party through its capacity as a shareholder of the Issuer with 99.67% of the share capital.

For the year 2022, Ocean Credit will cover the additional financing needs for business development through bank credit (line of credit at TBI Bank) as well as through the partnership with the peer2peer financing platform Iuvo, operational from May 2022.

## Evaluation of sales activity

### Marketing and promotion strategies and tools

Ocean Credit's core market strategy is to attract long-term retention customers through the use of in-house developed and fully automated RTM (instant - real-time marketing) processes.

Messaging and communication with the target customer presents is characterized by high-level customization and timeliness, and the mechanisms for tracking a lead/customer cover the full palette of platforms, IPs, experiences.

The automated system also facilitates and tracks cross-selling, i.e. automatically directing a customer who opts for one of the Ocean Credit IFN service categories (Volt transfer services, credit, financial education, etc.) to the other services in the package offered. In this respect, the Volt application is proving to be an important source of leads and new customers, through important partnerships with Visa and Mastercard, but also through the networking effect based on each customer's network of contacts.

SEO is an important component of Ocean Credit's digital marketing strategy, supported by educational content. Traffic on both sites - Ocean Credit or Volt - is also encouraged through built-in referrals features and tools such as micro-influencers and bloggers.

The synergy between Ocean Credit IFN and Volt also brings the advantage of boosting traffic to Ocean's website attracted from marketplaces such as OLX, Fixers, Ocazii etc., the network effect but also attracting qualified leads for lending products.

In summary, Ocean Credit's promotion and marketing activities focus on 4 areas:



"PAID". Paid promotion campaigns designed and launched on social media, youtube or through affiliates / micro-influencers / bloggers. They focus on a simple presentation format, adapted to the Ocean Credit IFN brand identity.



"PR". PR campaigns are focused on educating customers about finance, making financial information available and understandable to them, which is often not easily accessible. Email marketing campaigns are also used, in full compliance with the European Directive on the circulation of personal data (GDPR).



"Growth Hacking is a promotion model that involves continuous generation of growth ideas from all employees and collaborators. These ideas are centralised in a dedicated application, filtered by a marketing manager and put into testing over a two-week sprint.

As a result, growth actions involve organic generation of more traffic on the Ocean Credit IFN website.



An approach tactic that encourages Ocean Credit IFN customers to send invitations to use the services to their network of acquaintances. Loyal customers become Ocean Credit IFN "ambassadors".

An important dimension of the marketing strategy is the evaluation of the impact of the tools and campaigns initiated. The company's management also pays attention to evaluating the quality of the services offered and consumer satisfaction of the Ocean Credit IFN product.

### Client portfolio

Ocean Credit customers are generally aged between 26 and 45, with men significantly outnumbering women (65% vs. 35%). Almost half of the clients have an average salary between 2500 and 2800 lei, while the average salary for the segment of clients with higher income levels reaches 4000 lei:

### Main customer segments Ocean Credit S.A.

#### Segment A - "Upper Class" - 29.66

Profile: educated and intellectually active person; entrepreneur or professional; managerial position and subordinate team; monthly income between lei, average 3,900 lei

#### Segment B - "Middle Upper Class" - 9.13%.

Profile: mid-management position, university graduate; monthly income between 1,800 and 11,000 lei, average 4,100 lei 2,600 and 13,000




#### Segment C1 - "Middle Class" - 21.29%.

Profile: professional with higher education and intellectual activity; monthly income between 1,300 and 6,500 lei, average 2,800 lei

#### Segment C2 - "Middle low class" - 27.38%.

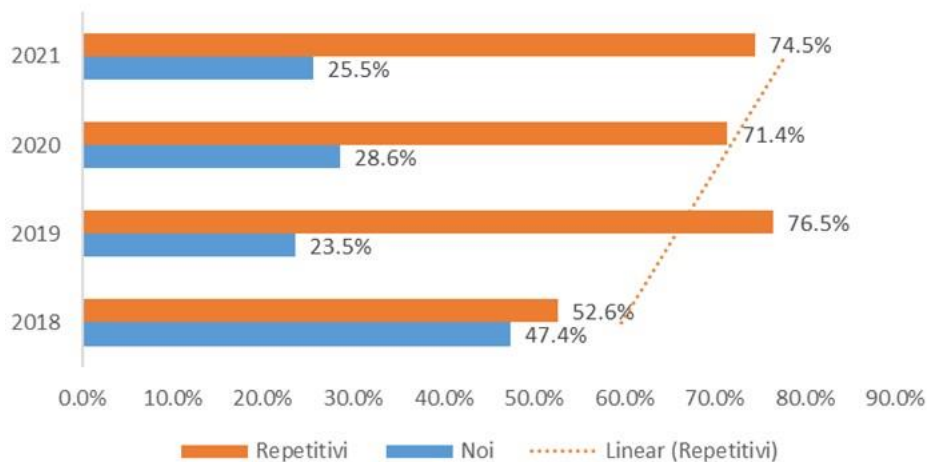
Profile: high school graduate, specialisation at work, lower hierarchical level, physical or intellectual work, monthly income between 1,400 and 5,600 lei, average 2,480 lei.

Based on the FICO score, the distribution of Ocean Credit customers on 31.12.2021 was:

-  Sub-prime (FICO score < 580) - 70%
-  Near-prime (FICO score 580 - 650) - 25%
-  Premiums (FICO score > 650) - 5%

The Delfin product, launched in October 2021, as well as the partnership with the Volt app that accesses a near-prime customer base and premiums of over 60% will lead to a more balanced distribution of customers by risk score in 2022.

Ocean Credit's customer recurrence rate in 2021 was 74%, with more than 10,000 loans being extended to existing customers who have re-applied for Ocean Credit financing solutions. Recurrence rate evolution - new customers / repeat customers



### Competitive position

Ocean Credit IFN stands out from its competitors both through the specific features of its lending products and the exceptional elements of the lending experience. At the Future Banking Gala in June 2021, based on the efficiency and performance of the OC 3.0 platform, Ocean Credit receives **the award for Best Digital Lending Product in the NFI space**. "The Best Digital Proposition in the Non-Bank Financial Institutions Market" thus crowns the Ocean Credit team's efforts to develop user-friendly and fast digital products.

From a market perspective, Ocean Credit also ranks among the top in the NFI market in terms of the characteristics of its offer, according to the analysis made by the creditrapid.ro platform and the financial information provider financialmarket.ro:

Competitive position in the creditrapid.ro ranking:

	4500 RON DE LA 100 PANA LA	0,199% pe zi DOBANDA	instant APROBARE IN MAXIM	0,199% pe zi PRIMUL CREDIT	90 de zile PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		OceanCredit	
	10.000 RON DE LA 100 PANA LA	0,08% pe zi DOBANDA	30 de minute APROBARE IN MAXIM	0% dobanda PRIMUL CREDIT	6 luni PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		HoraCredit	
	3000 RON DE LA 100 PANA LA	1,2% pe zi DOBANDA	30 de minute APROBARE IN MAXIM	0% dobanda PRIMUL CREDIT	92 de zile PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		CreditFix	
	1400 RON DE LA 100 PANA LA	1,29% pe zi DOBANDA	1 ore APROBARE IN MAXIM	0% dobanda PRIMUL CREDIT	45 de zile PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		Ferratum	
	2000 RON DE LA 100 PANA LA	1,2% pe zi DOBANDA	2 ore APROBARE IN MAXIM	0% dobanda PRIMUL CREDIT	12 luni PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		VivaCredit	
	20.000 RON DE LA 500 PANA LA	Variabila DOBANDA	48 de ore APROBARE IN MAXIM	Variabila PRIMUL CREDIT	48 saptamani PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		Provident	
	4000 RON DE LA 200 PANA LA	1,19% pe zi DOBANDA	30 de minute APROBARE IN MAXIM	0% dobanda PRIMUL CREDIT	24 de luni PERIOADA
	Adauga recenzii	APLICA PENTRU CREDIT !		CreditPrime	

Financial position in the classification [wall-street.ro](http://wall-street.ro), March 2021

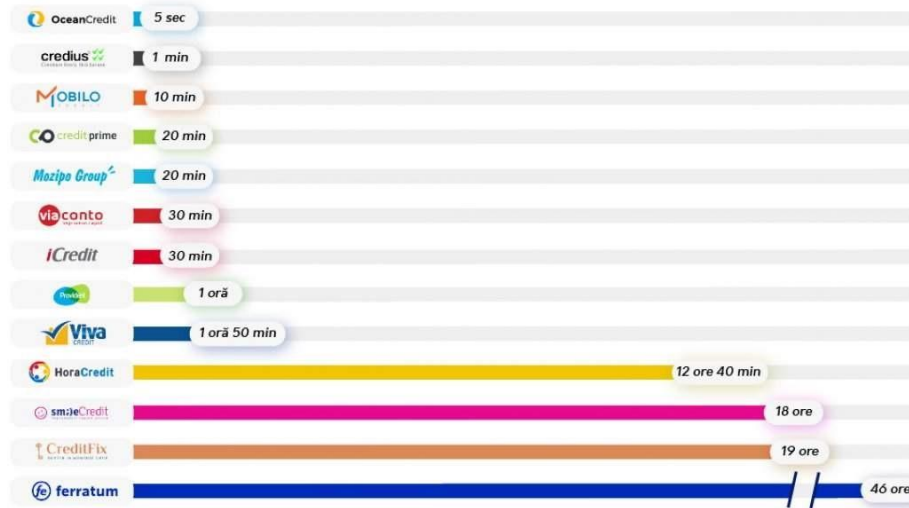
Cât a durat tot procesul de creditare?



Cât de **repede** am obținut **oferta de credit?**



Cât de **repede** am încasat banii după **aprobarea creditului?**










Competitive position in the financialmarket.ro ranking, composite score based on multiple criteria:



The Romanian FinTech market, although at an early stage of development, is characterized by dynamism, amid the emergence of many local start-ups and the market penetration of multinational providers. In this market, Ocean Credit stands out as one of the most profitable FinTech NFI companies offering consumer loans, with a profit margin of 2.74% as of 31.12.2020, being ranked, in 2018, in the top 20 most successful Fintech companies by profitability. After a year that involved significant investment effort and delays in recording projected revenues with a negative impact on the result for the year, the Company's management expects to report significant profits again from 2022 onwards.

Ocean's competitive advantages derive from its FinTech profile, which ensures a significant and sustainable competitive lead as Ocean Credit scales its business and gains market share.

Summed up, they are:

-  Fully automated service of the lending process
-  Round-the-clock service, including approval of credit applications and instant transfer of funds to the customer
-  Extremely competitive interest rates (5.97% and 9.33% monthly, compared to competitors charging between 20% and 36% monthly), supporting the strategy of targeting the subprime banking market, which includes bank customers looking for a comparable price.
-  Interaction with Ocean staff only occurs in exceptional situations when customers request assistance, creating personal comfort in going through the assessment and credit granting process.
-  Repayment of loans is also automatic, the customer only needs to ensure the availability of the amount needed for repayment in his own current account.

- The customer's creditworthiness is assessed based on a score calculated by a program configured to incorporate machine learning and artificial intelligence. It filters credit applications based on both payment behaviour and creditworthiness calculations. The databases queried are those of the Credit Bureau and ANAF, as well as biometric and social media data (Facebook), which the customer allows direct and unambiguous access to;
- Ocean's Google rating is 4.5, based on 178 reviews

### Concentration rate

Ocean Credit IFN's client portfolio, which consists exclusively of individuals accessing microcredit, is characterised by atomicity and therefore a low concentration rate.

### Issues relating to the Issuer's staff

At the end of the reporting period, the company's human resource consisted of 9 employees with professional training corresponding to the requirements of the positions filled, 50% more than in 2020. Total personnel expenses amounted to 424.4 thousand lei, almost double the level reported in 2020 (218.2 thousand lei).

The company's staff carries out its work within the parameters defined by the integrated and complex system defined by internal regulations, ensuring a professional, ethical behaviour in accordance with the values and organizational culture of OCEAN CREDIT. Human resources

policies and procedures establish the rights and duties of staff, employee records, benefits, working conditions and professional conduct.

For Ocean Credit's human resource, there is no case for union-level representation. During the reporting period, there were no conflicts between staff and management of the Company.

### Impact of the activity on the environment

By its nature, the activity of Ocean Credit IFN S.A. has no direct impact on the environment. During the reporting period and at the date of the report, the company held all the necessary permits for its operations.

Also, during 2021 there were no incidents/litigations, complaints, referrals or claims related to environmental protection issues. There were also no cases of non-compliance by the Company's customers with environmental protection rules that could lead to penalties and no nonperforming loans caused by environmental issues.

### Research and development activity

In 2021, the Company did not incur any expenditure on research and development activities. In the sphere of new product or service development directions, research activity is also outsourced to the IT/AI/digital marketing service provider.

### The issuer's risk management activity

**The risk profile** represents the totality of risks to which the Company is exposed according to the risk appetite assumed by the management structure in the decision-making process and business strategy.

Based on the specific nature of a micro-lending company, the size and complexity of the business carried out by the Company and its medium risk appetite, the Board of Directors has assumed a medium risk profile.

In order to continuously assess the Company's risk profile, criteria have been established to determine the materiality threshold and the measures by which the Company aims to control the risks to which it is exposed.

A risk is considered significant if its impact on the Company's assets or reputation is significant and/or the probability of its occurrence is high. The Company has established the criteria and the quantitative (value) threshold at which a risk is considered significant:

- The risk has a high probability and high impact;
- The risk has a low probability and a high impact;
- The risk has a high probability but a low impact;

For the risks identified, the Company determines the most appropriate methods for mitigating the impact of their occurrence and decreasing the likelihood of occurrence of the events that cause them.

In the risk assessment process, the Company has established early warning indicators/limits at which immediate reporting to the Risk Management Committee is required.

The Company's exposure to risk is assessed for all risk-generating factors, given that they are interdependent.

To manage **significant risks** (credit risk, market risk, operational risk and reputational risk), the Company has established:

- authorisation procedures for operations subject to risk;
- risk exposure limits and systems for monitoring them, as well as levels of competence for approving exposures;
- a system for reporting risk issues to the appropriate levels of management.

The identification and assessment of risks is carried out taking into account both internal factors such as the complexity of the organisational structure, the nature of the activities carried out, the quality of the staff and their fluctuation, and external factors such as economic conditions, changes in the legislative or competitive environment in the financial sector and technological progress.

The risk/return ratio is defined according to the strategic objectives of the Company.

### Credit risk

Credit risk is the most important risk to consider, in terms of the negative effects it can have. It can be defined as the risk of loss associated with the counterparty's failure to comply with the terms and conditions of the contract.

Credit risk is an inherent risk, a typical risk for all financial institutions. It is directly related to the Company's core business.

The credit exposure in respect of loans to customers is represented by the current amount of assets on the balance sheet. In order to minimise risk, procedures are in place to screen clients prior to granting loans and to monitor their ability to pay principal and interest over the life of the loan as well as setting exposure limits.

As at 31 December 2021 the loan portfolio, in terms of classification category, is structured as follows:

	<b>31.dec.20</b>	<b>%</b>	<b>31.dec.21</b>	<b>%</b>
Standard	4.745.532	62.71%	6.454.814	61.97%
Under observation	154.108	2.04%	370.598	3.56%
Substandard	189.580	2.51%	356.684	3.42%
Indoielnic	123.217	1.63%	319.954	3.07%
Losing	2.355.237	31.12%	2.914.624	27.98%
<b>Total</b>	<b>7.567.673</b>	<b>100%</b>	<b>10.416.674</b>	<b>100%</b>

In the credit risk category, the institution has identified the following risk factors:

- Global credit risk (portfolio concentration risk)
- The risk of focusing the portfolio on clients

The institution assesses the exposure to this risk factor as insignificant, due to the type of product offered by the institution (microcredit for individuals). By limiting the maximum level of credit granted per client, even for several members of the same family, the concentration may not be significant in relation to the level of the institution's own funds.

- Risk arising from the size of the portfolio exposure to related parties

The institution's policy of not lending to related parties limits exposure to this risk factor to zero.

- Risk generated by the concentration of the portfolio on types of financed objects

Given that the microcredits granted by the institution are granted without a specific use and the low limit of individual loans granted, the institution considers that it will obtain a high diversification of the use of the loans granted; combined with the lack of guarantees, the natural exposure to this risk factor is assessed as insignificant.

- Risk generated by portfolio concentration on economic segments (by client occupation)

The institution considers the concept of microcredit to individuals as providing sufficient diversification.

- Overall portfolio quality risk

This risk factor is the risk of financial destabilisation of the institution caused by deterioration of the loan portfolio. The natural exposure to this risk factor is usually significant. In order to limit the exposure to this risk factor, the institution monitors the quality of the portfolio by monitoring the number of days overdue of each borrower and gradually adopting recovery measures from a small number of days overdue. Thus, the residual exposure to this risk factor is assessed as insignificant.

- One-off credit risk (counterparty risk)

Given the type of collateral-free microcredit product offered by the institution, the exposure to this risk factor is considered significant. The following lending and recovery policies applied by the institution are designed to reduce exposure to this risk factor:

- Granting credit only to persons with an income deemed stable
- Granting credit only to individuals with a bank account
- Granting credit only to persons who have provided all the personal information requested and whose National ID has been validated
- Granting credit on the basis of a scoring that incorporates several characteristics of the types of credit applicants accepted by the institution according to the eligibility criteria set out in the Credit Manual. This set of characteristics and their weights in the scoring system is established on the basis of:
  - Experience of the shareholders and management of the institution in the field of micro-credit for individuals
  - Regular analysis of the performance and stability of the institution's portfolio
- Execution of overdue amounts in the shortest number of days overdue
- The recovery of the portfolio of non-performing loans whose recovery by automatic debiting failed at a sufficiently early stage.

### Market risk

Market risk is the risk of losses or unrealised profits arising from market fluctuations in prices, interest rates and exchange rates. Market risk with a significant impact on the institution's business is interest rate risk and foreign exchange risk.

#### **Interest rate risk**

Interest rate risk is defined as the risk that the Institution will incur losses and not achieve its expected profits due to market fluctuations in interest rates.

The Company manages interest rate risk, taking into account the specific objectives of this risk, by calculating, monitoring and reporting on specific risk indicators, putting into practice operations that support adequate risk management.

#### **Liquidity risk**

Liquidity risk is defined as the Company's risk of not meeting its current and future payment obligations, both planned and unexpected, without materially affecting its day-to-day operations or overall financial condition.

The Company manages liquidity risk by monitoring cash and cash equivalents available to repay debt, maintaining a reserve for credit facilities and achieving a symmetry between the maturity of assets and debt maturities.

The main objective related to liquidity risk is to ensure access to sufficient funds. The level of liquidity is managed by monitoring maturity mismatch limits.

The amount and structure of monetary assets and liabilities with a contractual maturity of up to 1 year as at 31 December 2021 and 31 December 2020 are shown in the following table, with the net position and the ratios between asset and liability categories reflecting a comfortable level of liquidity:

<b>Active/passive indicator</b>	<b>2020</b>	<b>2021</b>
<b>Current assets, of which</b>	<b>6.004.533</b>	<b>11.511.683</b>
House and current accounts at banks	112.825	3.628.414
Claims on customers	5.126.700	7.273.093
Other claims	46.634	172.726
Prepaid expenditure and accrued income	700.660	437.450
<b>Current liabilities, of which</b>	<b>3.110.635</b>	<b>893.554</b>
Debts relating to credit institutions	1.531.462	33.241
Customer-related debts	10.800	36.285
Other debts	1.073.747	667.975
Deferred income and accrued liabilities	503.626	156.053
<b>Net position</b>	<b>4.721.770</b>	<b>8.415.784</b>

### Currency risk

Currency risk is defined as the risk that the Institution will incur losses or fail to achieve its estimated profits due to market fluctuations in foreign exchange rates. For Ocean Credit, currency risk arises almost exclusively in relation to the issuance of euro-denominated bonds.

The Company manages foreign exchange risk, taking into account the specific objectives of this risk, by calculating, monitoring and reporting specific risk indicators, in particular the total foreign exchange position, putting into practice operations that support adequate risk management.

Market risk management is done in a transparent and responsible way, through efficient trading in order to adjust investment imbalances and obtain medium and long-term gains from the optimal investment of the resources attracted.

The internal rules aim to provide the institutional framework necessary to manage market risk in a prudent and responsible manner, in line with the Company's risk profile, and the appropriate assessment and reporting to management.

### Operational risk

Operational risks are the risk of incurring losses or not achieving expected profits as a result of internal factors (e.g. internal fraud, control environment, organisation and functioning of internal systems, including information technology, inadequate staffing, etc.) or external factors (e.g. external fraud, economic conditions, changes in the economic environment, technological developments, etc.).

Reporting and monitoring of operational risk is carried out on the basis of indicators which are regularly reviewed by the Risk Management Committee.

Given the importance the Company attaches to human capital, appropriate personnel risk management is considered in the management of operational risk.

It also considers the management of legal risk - a component of operational risk, arising from the nonapplication or defective application of legal or contractual provisions, which adversely affects the operations or situation of the Company.

Operational risk management is carried out in a prudent and responsible manner, in line with the Company's risk profile, by:

- establishing an operational risk culture within the Company;
- establishing a sound control environment;
- adhering to international best practices on operational risk. Existing policies and procedures for:

- Constant training of staff (Internal rule for staff training)
- internal control (Internal Standard for Internal Control)
- immediate IT and technology recovery (Internal Business Continuity Rule and Internal IT

Security

Rule) will be kept up to date in all cases requiring such action.

The Company understands that certain categories of operational risk may lead to a reputational impact on the Company and, consequently, when the situation requires it, the assessment of reputational impact is integrated into the operational risk assessment.

### Reputational risk

Reputational risk is the risk of losses or failure to realise expected profits as a result of the public's lack of confidence in the integrity of the Company.

Reputational risk management is aimed at permanently ensuring a positive image, in line with reality, in the market, in front of customers, other banks and financial institutions in the system, shareholders, state institutions, supervisory and control institutions, and the media.

### Taxation risk

Romania's tax legislation contains detailed and complex rules and has undergone various changes in recent years. The interpretation of the text of the law and the practical implementation of the tax law procedures may vary, and there is a risk that certain transactions, for example, may be interpreted differently by the tax authorities than they have been interpreted by the Company.

In addition, the Government of Romania has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries and may cover not only tax issues, but also other legal and regulatory issues of interest to these agencies. The Company may continue to be subject to tax audits as new tax regulations are issued.

### Economic environment risk

The process of value-risk adjustment that has taken place in international financial markets in recent years has affected their performance, including the financial-banking market in Romania, leading to increased uncertainty about future economic developments.

The current liquidity and credit crisis has led among other things to low and difficult access to capital market funds, low liquidity levels in the Romanian banking sector and high interbank lending rates. Significant losses in the international financial market could affect the Company's ability to obtain new loans and refinancing of existing facilities on terms similar to those applicable to previous transactions.

Identifying and evaluating investments impacted by an illiquid credit market, analyzing compliance with loan agreements and other contractual obligations, assessing significant uncertainties, including uncertainties related to the Company's ability to continue as a going concern for a reasonable period of time, all in turn raise other challenges.

The Company's debtors may also be affected by liquidity crunch situations that could affect their ability to service their current debts. Deterioration in the operating conditions of creditors and debtors could also affect management's cash flow forecasting and impairment analysis of financial and non-financial assets. To the extent information is available, management has reflected revised estimates of future cash flows in its impairment policy.

Current concerns that deteriorating financial conditions may at a later stage contribute to a further decline in confidence have prompted coordinated efforts by governments and central banks to take special measures to counteract growing risk aversion and restore normal market conditions.



The Company's management is unable to estimate the events that could have an effect on the financial banking sector in Romania and, subsequently, what effect they could have on these financial statements.

Management cannot reliably estimate the effects on the Company's financial statements resulting from deteriorating financial market liquidity, impairment of financial assets influenced by illiquid market conditions and high volatility of the national currency and financial markets. The Company's management believes that it is taking all necessary measures to support the growth of the Company's business under current market conditions by preparing liquidity crisis management strategies and establishing measures to meet possible liquidity crises; constant monitoring of liquidity; forecasting current liquidity.

### Perspectives on the issuer's activity

In terms of external trends and developments, the issuer's activity could be influenced by possible economic crises or recessions stemming from the escalating conflict between Russia and Ukraine, sustained rates of inflation growth, as well as major labour market imbalances. However, given

the current competitive position and competitive differentiators, the growth potential for Ocean Credit is less affected by macroeconomic developments.

In terms of the main directions of action to achieve Ocean Credit's strategic objectives, in 2022 these are:

- Completion of the integration of the Delfin product into the Volt application, following the conclusion of the partnership dedicated to customer acquisition - the core objective for 2022, with a strong projected impact on the result indicators.

The first stage, the credit application initiation, has already been implemented, and in the second quarter the credit line management facility will be developed directly from the Volt application.

Volt customers will therefore be able to withdraw and repay money directly from the app, which will significantly improve the credit experience. It will become 100% mobile, an addition to Ocean's current credit management model via the web platform.

- Another development with already positive effects on Ocean Credit's revenues is the introduction of a variable pricing system (interest/fees) for the Delfin and Pinguin credit lines, depending on the customer's risk profile.

According to the income and expenditure budget approved by the Resolution of the Board of Directors on 02.08.2021, the implementation of the development plan for 2022 will bring income from lending activities estimated at 16 million lei, more than 100% more than in 2021, while the net result is expected to be positive, amounting to 1.3 million lei.

### Tangible assets of the Issuer

Due to the nature of its activity and business model, Ocean Credit IFN S.A. does not own tangible assets of significant value. As at 31.12.2021, tangible assets included means of transport, equipment, furniture, office equipment and other assets with a book value of 120 thousand lei. Their degree of moral and physical wear and tear was 72.2%.

During the reporting period, there were no problematic issues relating to the ownership of the Issuer's tangible assets

### Market for securities issued by the Issuer

The bonds issued by Ocean Credit IFN S.A. on 23.07.2021 were admitted to trading on the SMTBVB on 3 November 2021.

The 18,668 registered corporate bonds, denominated in euro, with a nominal value of EUR 100 each, subordinated, unsecured, non-convertible and with a maturity of 5 years from the date of issue, offer a fixed annual coupon of 8.75% payable quarterly.

As at the date of the Report, the issuer has met all its coupon payment obligations and does not anticipate any difficulties in the future in meeting the coupon payment schedule as set out on the BVB website and in the Listing Memorandum.

The profile of the business, of the management team and of the financial instrument have attracted ratings above par throughout the trading period from the time the bonds were listed to the time of writing this report.

During the reporting period, the maximum quotation was 104% of par value on 5 November 2021, with a minimum level of 102.5% reached on 16 December 2021. The average quotation calculated for 2021 was 103.36%.



### Dividend policy

In accordance with the provisions of the law and the Articles of Incorporation, the profit of the Company is determined on the basis of the financial statements prepared in accordance with legal requirements and approved by the Annual Ordinary General Meeting of Shareholders. The General Meeting of Shareholders is the statutory body that decides, by law, on the allocation of profits for a financial year, and shareholders are entitled to dividends from the profits determined in accordance with the law, in proportion to the shares held in the Company. In view of the accelerated development strategy envisaged by the Company's management, it will propose, in the coming period, to keep profits in the Company as a complementary source for the necessary future investments.

### Management of the Issuer

According to the Articles of Incorporation and the NBR rules, the management of Ocean Credit IFN S.A. is ensured by a Board of Directors composed of 3 members appointed by the General Meeting of Shareholders of the Company.

During the reporting period, the members of the Management Board were:

**Mr. Radu Ciorbă**, Chairman of the Board of Directors, General Manager and Head of the NFI with full powers, holds a double degree in Economics (Finance and Banking) and Administrative Law, a post-graduate degree from Boumemouth University, UK, where he obtained an MBA (Master in Business and Administration).

Mr. Radu Ciorbă is a successful entrepreneur and administrator who, in just over 14 years of experience, has established and/or developed, as founder and sole administrator, 4 companies active in microfinance and electronic payment systems and 1 company specialized in industrial construction:

- Nordik Capital SRL (founder and general manager), a microfinance services company to individuals in Rep. Moldova in the period 2007-2009, where the company ranked 5th out of 24 by financial profitability, 7th by the amount of equity and bank loans and loans obtained, 8th and 9th respectively by the portfolio of loans granted and the amount of assets
- Cirasico SRL, Bucharest. Under his leadership as sole administrator, the company's turnover increased 8.6 times between 2010 and 2014, reaching almost 1 million euros.
- ZEBRAPAY SRL, (sole administrator), supplier/operator of electronic payment terminals to utility providers, merchants and public institutions including Orange, Vodafone, Cosmote, CFR Călători etc. In the period 2009 - 2014, ZebraPay's turnover increased from 282.1 thousand lei to 28,121 thousand lei, i.e. by 100 times, the number of paying customers on ZebraPay terminals reached 400,000 and the amounts processed through them reached 96.4 million lei in just the first half of 2015.
- Since 2015, Radu Ciorbă has been focusing on the synergistically interconnected microcredit and e-transfer business, setting up and managing OCEAN CREDIT IFN S.A. and VOLT FINANCE

S.A. In less than a year since its launch, Volt Finance has recorded almost 20,000 unique users and revenues on a sustained growth trend with the launch of subscriptions in August 2020.

- In the period 2016 - 2020, the income from lending activity of Ocean Credit IFN S.A. increased from 3,196.2 thousand lei to 5,310.8 thousand lei, and the annual gross value of loans granted increased almost three times, from 7,172.6 thousand lei in 2016 to 20,227.1 thousand lei in 2020.

It indirectly holds 99.6667% of the Company's share capital.

**Mr Dan Augustin Ionescu**, non-executive director, Romanian citizen domiciled in Bucharest, is an economist. Between 1978 and 1990, he worked for Rom Control Data Bucharest, in the area of production and commercialization of computing technology. Between 1990 and 1997, Mr Ionescu was General Manager and Shareholder of KT COMPUTERS Bucharest. Between 1996 and 2000, he was a shareholder and member of the Boards of Directors of PC Net SA, Global Net SA, Advanced Network Technologies SA; Export Import Bank of Romania (EXIM Bank).

From 2012-2015 he was CEO (General Manager) at Anima Medical Clinic, where he coordinated the entire activity.

From 2015 to date, he is a shareholder in Ocean Credit IFN S.A. and Studioset Production SRL, providing strategic advice in financial and promotional activities respectively.

It holds 0.3333% of the Company's share capital.

**Mr Simion Ciorbă**, non-executive director, Romanian citizen domiciled in Bucharest, is a successful entrepreneur and administrator. His professional experience dates back to 1991, and the type of activity is trade and real estate development. From 2010 to 2011, he was Technical Director in construction at ICS Restart Business SRL. As of 07.06.2021, Mr. Simion's mandate has ended.

**Mr. Ruslan David**, Executive Director of the Company as of 19.11.2021, Romanian citizen domiciled in Bucharest, has contributed to the success of the third stage of Ocean Credit's business development, in the capacity of operational manager. A graduate in finance-banking, Mr. David has more than 10 years of experience in financial management.

During the reporting period, the Board of Directors met at least every 3 months, in accordance with the legislative and statutory provisions in force.

**The Executive Management of the Issuer** was throughout 2021 represented by the General Manager, Mr. Radu Ciorbă.

The term of office of the members of the Board of Directors ends on 19.11.2025, while the contract concluded between the Company and the persons of the executive management is for an indefinite term.

At both senior management and executive management level, no agreements, arrangements or family links with third parties have been identified to which any member is owed.

Also, in the last 5 years, no person in the management of the Issuer has been involved in any litigation or administrative proceedings relating to their work at the Issuer or concerning their ability to perform their duties at the Issuer.

During the reporting period, the total expenditure on management staff was 46.5 thousand lei.

### Persons affiliated with the issuer

Ocean Credit IFN S.A. is one of the pillars of the business model designed and implemented by the main shareholder, Mr. Radu Ciorbă. This model **integrates**, alongside Ocean Credit digital microcredit institution, **two other entities**, with a systemic synergy effect:

- **VOLT FINANCE S.A.**, a company with registered office in Bucharest, Calea Floreasca no. 112, et. 2, sector 1, CUI 35545523, registered with ONRC under number J40/1251/2016;
- **FINTECH LAB SRL**, a company with registered office in Chisinau, sec. Dimo Nicolae str. no. 1, established in 2017, CUI1017600012413, registration no. 41176283. In both companies, the main shareholder of Ocean Credit IFN S.A. holds 99% of the share capital. Through the main shareholder of Ocean Credit IFN S.A., the company is in affiliation with VOLT FINANCE S.A.

The shareholders of VOLT FINANCE S.A. are OC GLOBAL LIMITED, the majority shareholder of Ocean Credit IFN S.A., holding 98.88% of the share capital, Mr. Ciorbă Radu, director of Ocean Credit IFN S.A. and of Volt Finance S.A., holding 0.02% of the share capital, and Mr. Reuland James Michael, an American citizen residing in the USA, holding 1.1% of the share capital of Volt Finance S.A..

Volt Finance S.A., whose main activity is classified under CAEN code 6499, "Other financial intermediation n.e.c.". ", was the vehicle through which the management of Ocean Credit IFN developed the Volt application for instant money transfer between cards belonging or not to different banks, which, in its view, has a complementary and enhancing role in relation to the microcredit business of Ocean Credit IFN S.A.

FINTECH LAB SRL brings together the team of IT experts that provides the tech-AI infrastructure that develops and optimizes digital solutions for online microcredit and fund

transfer services. FINTECH LAB SRL is 100% owned by OC Global Limited, the majority shareholder of Ocean Credit IFN S.A.

Between FinTech Lab SRL and Ocean Credit IFN S.A. there are commercial relations generated by the lease contract, by Ocean Credit IFN S.A., of the microcredit platform owned and developed by FinTech Lab, the two companies functioning, operationally, as interdependent parts of the same business. There is an incipient commercial relationship between Volt Finance S.A. and Ocean Credit IFN S.A., generated by the cross-selling effect, with Volt promoting Ocean Credit's products.

In the coming years Volt will become the main supplier of credit applications for Ocean Credit IFN. The management of the NFI expects the share of credit applications generated by Volt traffic to reach 30% in 3 years.

## Financial and accounting situation

This section and all information of a financial nature is based on the financial statements as at 31.12.2021 which have been audited. According to the report of the independent auditor CC Audit&Assurance Services SRL, "the individual financial statements of the Company ... give a true and fair view of the financial position of the Company as at 31.12.2021 as well as of its financial performance and cash flows for the financial year ended on that date in accordance with the Accounting Act 82/1991 (...), NBR Order No. 6/2015 (...), NBR Regulation No. 5/2012 (...) and accounting policies".

The principal accounting policies applied in the preparation of these financial statements are set out in the Company's financial statements and have been applied consistently for all periods presented.

The financial statements are based on the company's accounting records, which are prepared on the basis of the following accounting principles and rules:

- Business continuity principle
- Principle of permanence of methods
- The prudent person principle
- Principle of independence of exercise
- The principle of separate valuation of assets and liabilities
- Intangibility principle
- No compensation principle
- Principle of economic over legal
- Threshold of significance principle

All the operations carried out were based on legally drawn up documents and were correctly recorded.

The Company keeps and prepares its accounting records in accordance with Romanian law and Romanian Accounting Standards in Romanian currency ("RON"). The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). In these financial statements, the results and financial position are expressed in RON, which is the Company's functional currency and the presentation currency of these financial statements.

The Profit and Loss Account has the following structure:

INDICATOR NAME	lei	Lei	Variation
	31.12.2020	31.12.2021	
Interest receivable and similar income	3.288.570	4.529.800	
Interest payable and similar charges	59.735	550.639	
Commission income	2.022.272	3.183.416	+57.4%
Commission expenses	175.292	336.422	91.9%
Net profit or loss on financial operations	-11.693	-61.809	428.6%
Other operating income	10.3159	54.292	426.3%
General administrative expenditure	2.410.120	3.855.976	+60%
- Staff expenditure, of which:	218.217	424.380	94.5%
- Salaries	213.415	413.865	93.9%
- Social security expenditure	4.802	9.315	94%
- Other administrative expenditure	2.191.903	3.431.596	56.6%
Other operating expenditure	1.578.739	1.916.368	21.4%
Adjustments to the value of intangible and fixed assets	57.761 tangible	90.811	57.2%
Adjustments to the value of claims	1.231.283	2.825.043	
Reversals of value adjustments on receivables	345.452	1.514.611	
Result of current activity - Profit	141.986	-354.949	
Total income	5.666.609	9.282.119	63.8%
Total expenditure	5.524.623	9.637.068	74.4%
Gross result - Profit	141.986	-354.949	
Corporate income tax	14.399	-	
<b>Net result for the financial year - Profit</b>	<b>127.587</b>	<b>-354.949</b>	<b>-278%</b>

During the reporting period, the intensity and volume of activity accelerated so that, as of 31.12.2021, the total number of loans granted was almost 14,000, 51% more than in the previous period and with a recurrence rate of 74%. Also, the amount of loans granted exceeded MDL 32 million, reaching a level 60% above that reported as of 31.12.2020.

In the same sense with the evolution of the activity, compared to 2020 the turnover increased by 45.2% reaching 7.7 million lei. The interest and commission income is generated by the 3 Products offered:

1. Crab - unsecured personal loan with a 30-day term, APR 199.9%. From October 2021 the interest rate for this product has been increased, so the APR is 447.63%.
2. Penguin - 90-day unsecured personal loan, APR 99.92%
3. Delfin - revolving credit line with 3 limits of 3000/6000/9000 lei, with a duration of 12 months, whose available amount decreases as it is used and increases as the money is repaid, until the initial credit line is full.

In the revenue structure by Product type, 96% of total revenue is generated by the Penguin product, 3% by the Delfin and only 1% by Crab loans.

In terms of the structure of expenditure, administrative expenditure increased by 52.5%, in line with the pace and direction of business development, with the largest percentage increases being recorded in the sub-categories promotion expenditure (+30.4%), audit and consultancy services expenditure (+114%) which also incorporated part of the bond issue expenditure and other administrative expenditure (+90%). It should be noted that of the 1,560.7 thousand lei "other administrative expenditure", 657.3 thousand lei is also assimilated to marketing investments.

The item "other operating expenses" consists of 83.5% of the rent paid by Ocean Credit for the license to use the customer acquisition and loan management platform from origination to collection (1,600 thousand lei).

Net expenditure on provisions increased by 48%. This dynamic was generated by an increase in the loan portfolio and not by a decrease in its quality.

	2020	2021
Adjustments to the value of claims	1,231,283	2,825,043
Reversals of value adjustments on receivables	345,452	1,514,611
Net Provision	<b>885,831</b>	<b>1,310,432</b>
% increase		48%



Staff costs increased by approximately 100%, and were the result of the policy of strengthening the management, operational and marketing team. The current organisational structure will support significant growth in the client and loan portfolio in 2022.

Although revenues and activity have shown significant increases in the reporting period, in terms of financial performance, Ocean Credit marks a loss of 354,949 as at 31.12.2021, a result significantly different from that forecast by the listing memorandum. This result is primarily due to the delay in the launch of the Delfin product, which meant extending the testing and maturation period absolutely necessary for any product incorporating elements of machine learning and artificial intelligence. For this reason, in the few months of 2021, the product's risk algorithm was in the phase of accumulating behavioural data, leading to the increase of the average loan ticket under fixed price and limit conditions. These issues were subsequently adjusted by adopting the risk-based variable pricing model. At the same time, product development expenses exceeded initial estimates, impacting the financial result.

The negative result in 2021 will be covered by future profits. According to the income and expenditure budget approved by the Resolution of the Board of Directors on 02.08.2021, the implementation of the development plan for the year 2022 will bring income from lending activity estimated at 16 million lei, more than 100% more than in 2021, while the projected net result will be positive, amounting to 1.3 million lei.

Following the preparation of the financial statements as of 31.12.2021, the structure of the Company's assets, liabilities and equity, expressed in RON, is as follows:

	lei	lei	
<b>ACTIV</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>variation</b>
House and other values	6.678	8.984	35%
Claims on credit institutions	106.147	3.619.430	3310%
Claims on clients	5.126.700	7.282.495	42%
Intangible assets	24.074	515.557	2042%
Tangible fixed assets	153.347	119.939	-22%
Other assets	64.348	172.726	168%
Prepaid expenditure and accrued income	700.660	655.937	-6%
<b>Total assets</b>	<b>6.181.954</b>	<b>12.375.068</b>	<b>100%</b>

<b>DEBT AND EQUITY</b>	<b>lei</b> <b>31.12.2020</b>	<b>lei</b> <b>31.12.2021</b>	
Debts relating to credit institutions	1.587.926	57.377	-96%
Customer-related debts	10.800	36.285	236%
Other debts	1.363.747	667.975	-51%
Other accrued income and accrued liabilities	508.418	158.761	-69%
Debt securities	0	9.098.556	
Subscribed share capital	3.000.000	3.000.000	-
Retained earnings - Uncovered loss	- 487.469	-367.281	-25%
Legal reserves	78.344	78.344	-
Profit sharing	-7.099	-	-
Result for the financial year - Loss	127.587	-354.949	
<b>Total debt and equity</b>	<b>6.181.954</b>	<b>12.375.068</b>	<b>100%</b>

The structure of the company's liabilities shows the financing of the activity through the issuance of bonds, which also allowed a 96% reduction in debts to credit institutions through the closure of the credit line opened with TBI Bank and the settlement of debts to shareholders.

**STATEMENT OF CASH FLOWS - indirect method**  
**for the financial year ending 31 December 2021**

- RON -

Indicator name	Financial year	
	previous	closed
<b>Net result</b>	127.587	-354.949
Components of net result not generating cash flows from operating activities		

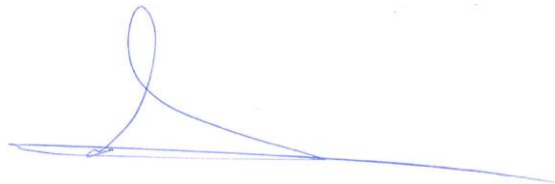
±the constitution or regularisation of depreciation allowances and provisions	885.831	541.488
+ depreciation charges	57.761	90.811
±other adjustments	47.062	3.764.762
<b>Sub-total (rd.01 to 06)</b>	1.118.241	4.042.112
Changes in operating assets and liabilities after adjustments for non-cash operating items		
±claims on credit institutions	146.286	-3.513.283
±claims on customers	-2.506.723	-2.857.796
±claims attached	-2.538.044	-2.446.652
±other operating assets	1.986.668	2.543.510
±debts attached	-204.971	-227.740
±other operating liabilities	-704.391	-388.359
<b>Cash flows from operating activities</b>	<b>-2.702.934</b>	<b>-2.848.208</b>
<b>Cash flows from investing activities</b>		
- cash payments for the purchase of land and fixed assets, intangible assets and other long-term assets	-140.066	-548.886
<b>Cash flows from investing activities</b>	<b>-140.066</b>	<b>-548.886</b>

**STATEMENT OF CASH FLOWS - indirect method**  
**for the financial year ending 31 December 2021 (continued) - RON**

<b>Cash flows from financing activities</b>		
+ cash receipts from debt securities and subordinated debt		9.098.556
- other cash payments related to financing activities	419.028	-2.320.064
+ other cash receipts from financing activities	2.290.000	196.000
<b>Cash flows from financing activities</b>	<b>2.709.028</b>	<b>6.974.492</b>
<b>Cash at the beginning of the period</b>	<b>258.490</b>	<b>112.825</b>
±Cash flow from operating activities	-2.702.934	-2.848.208
±Cash flows from investing activities	-140.066	-548.886
±Cash flows from financing activities	2.709.028	6.974.492
±Effect of exchange rate change on cash	-11.693	-61.809
<b>Cash at end of period</b>	<b>112.825</b>	<b>3.628.414</b>

OCEAN CREDIT IFN S.A.  
 Chairman of the Administrative Board

Radu Ciorbă



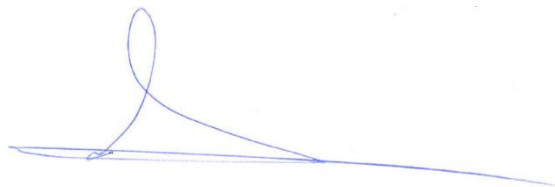
## MANAGEMENT STATEMENT

The undersigned Radu CIORBĂ, as Chairman of the Board of Directors of OCEAN CREDIT IFN S.A. with registered office in Bucharest, Cal. Floreasca no. 112, sector 1, unique registration code 34353350, order number at the Trade Register Office J40/4381/2015, I declare on my own responsibility, being aware of the provisions of Article 326 of the New Penal Code on false statements, the following:

- To the best of my knowledge, the accounting report has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position, profit and loss account of Ocean Credit IFN S.A.;
- The Annual Report for the financial year 2021, submitted to the capital market operator - Bursa de Valori Bucureşti S.A. - as well as to the Financial Supervisory Authority, presents correctly and completely the information about the issuer of tradable bonds under the symbol OCIFN26E.

**RADU CIORBA**

Chairman of the Board of Directors of OCEAN  
CREDIT IFN S.A.

A handwritten signature in blue ink, consisting of a large loop followed by a long horizontal stroke.

**OCEAN CREDIT IFN SA**

Report and Financial Statements

December 31<sup>st</sup> 2021

Concluded according to the Order of the National Bank of Romania no.6 from 17 July 2015. as modified  
and amended

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**OCEAN CREDIT IFN S.A.****STATEMENT OF FINANCIAL POSITION****31.12.2021***(all amounts are expressed in RON)*

ASSETS	Code position	Note	Financial year	
			2020	2021
A	B		1	2
Cash in hand and cash equivalent	010	3	6.678	8.984
Receivables on credit institutions	030	3	106.147	3.619.430
- at sight	033	3	106.147	3.619.430
- Other receivables	036			
Receivables on clients	040	3	5.126.700	7.282.495
Bonds and other financial instruments with fixed income	050			
- Issued by public bodies	053			
- Issued by other issuers. from which:	056			
- Personal Bonds	058			
Shares and other financial instruments with variable income	060			
Shares. from which:	070			
- Shares at credit institutions	075			
Shares in the bound commercial companies. from which:	080			
- Shares within credit institutions	085			
Intangible assets. from which:	090	5	24.074	515.557
- Set up / Incorporation Expenses	093			
- Commercial fund. to the extent that it has been provided with onerous title	096			
Tangible assets. from which:	100	5	153.347	119.939
- Lands and constructions used for the purpose of developing own activities	105			
Unpaid subscribed capital	110			
Other assets	120	2	64.348	172.726
Expenses registered in advanced and accrued incomes	130	2	700.660	655.937
<b>Total assets</b>	<b>140</b>		<b>6.181.954</b>	<b>12.375.068</b>



**OCEAN CREDIT IFN S.A.****STATEMENT OF FINANCIAL POSITION****31.12.2021***(all amounts are expressed in RON)*

<b>LIABILITIES</b>	<b>Code position</b>	<b>Note</b>	<b>Financial year</b>	
			<b>2020</b>	<b>2021</b>
A	B	C	1	2
Debts regarding credit institutions	300		1.587.926	57.377
- In sight	303			
- On term	306		1.587.926	57.377
Debts regarding the clientele	310		10.800	36.285
- In sight	317		10.800	36.285
- On term	318			
Debts constituted through titles	320			9.098.556
- debentures	323			9.098.556
- other titles	326			
Other debts	330	3	1.363.747	667.975
Incomes registered in advance and accrued debts	340		508.418	158.761
Provisions. from which:	350			
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356			
Subordinated debts	360			
Subscribed share capital	370	6	3.000.000	3.000.000
Capital premiums	380			
Reservations	390	7	78.344	78.344
- legal reservations	392		78.344	78.344
- statutory or contractual reservations	394			
- other reservations	399			
Reservations from revaluation	400			
Own shares (-)	410			
Reported result				
- Profit	423			
- Loss	426	7	487.769	367.281

Financial exercise result				
- Profit	433		127.587	
- Loss	436			354.949
Profit division	440		7.099	
<b>Total liabilities and own capitals</b>	<b>450</b>		<b>6.181.954</b>	<b>12.375.068</b>

ELEMENTS OFF THE BALANCE	Code position	Note	Financial year	
			2020	2021
A	B		1	2
Contingent debts. from which:	600		0	0
- acceptances and endorsements	603		0	0
- guarantees and pledged assets	606		0	0
Commitments. from which:	610		0	621.224
- commitments related to the sell transactions with redemption possibility	615		0	0

GENERAL MANAGER

Radu Ciorba

ACCOUNTANT

ACE CONT EXPERT SRL

Anton Elena

**OCEAN CREDIT IFN S.A.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****31.12.2021***(all amounts are expressed in RON)*

Indicator name	Code position	Note	Financial year	
			2020	2021
Interests to receive and assimilated incomes. out of which:	010	9	3.288.570	4.529.800
- related to the debentures and other titles with fixed income	015			
Interests to pay and assimilated Expenses	020		59.735	550.639
Incomes regarding the titles	030			
- incomes from shares and other titles with variable income	033			
- incomes from shares	035			
- incomes from shares in the bound commercial companies	037			
Incomes from commissions	040	9	2.022.272	3.183.416
Expenses with commissions	050	9	175.292	336.422
Net profit or loss from financial operations	060	9	-11.693	-61.809
Other incomes from exploitation	070	9	10.315	54.292
General administrative Expenses	080	9	2.410.120	3.855.976
- Expenses with the staff. from which:	083	9	218.217	424.380
- Salaries	084		213.415	413.865
- Expenses with the social insurances. from which:	085		4.802	9.315
- Expenses related to the pensions	086			
- Other administrative expenses	087	9	2.191.903	3.431.596
Corrections over the intangible and tangible assets value	090	5	57.761	90.811
Other running / exploitation Expenses	100	9	1.578.739	1.916.368
Corrections over the receivables value. provisions for contingent debts and commitments	110	8	1.231.283	2.825.043
Replays from corrections over the receivables value. provisions for contingent debts and commitments	120	8	345.452	1.514.611

Corrections over the transferable titles value. that have a financial asset character. the shares and shares in the bound commercial companies	130			
Replays from corrections over the transferable titles value. that have a financial asset character. the shares and shares in the bound commercial companies	140			
<b>Result of the current activity</b>				
- Profit	153		141.986	
- Loss	156			354.949
Extraordinary incomes	160			
Extraordinary Expenses	170			
<b>Result of the extraordinary activity</b>				
- Profit	183			
- Loss	186			

**OCEAN CREDIT IFN S.A.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****31.12.2021***(all amounts are expressed in RON)*

Indicator name	Code position	Note	Financial year	
			2020	2021
<b>Total Incomes</b>	190		5.666.609	9.282.119
<b>Total Expenses</b>	200		5.524.623	9.637.068
<b>Gross result</b>				
- Profit	213		141.986	
- Loss	216			354.949
<b>Tax on profit</b>	220		14.399	
Other taxes that do not appear in the above elements	230			
<b>Net result of the financial exercise</b>				
- Profit	243		127.587	
- Loss	246			354.949

GENERAL MANAGER

Radu Ciorba

ACCOUNTANT

ACE CONT EXPERT SRL

Anton Elena

**OCEAN CREDIT IFN S.A.**  
**CASH FLOW STATEMENT**

**31.12.2021**

*(all amounts are expressed in RON)*

Indicator name	Nr. rd.	Note	Financial year	
			2020	2021
<b>Net result</b>	01		127.587	-354.949
<i>Elements of Net Result that don't generate cash flows related to operational activities</i>				
± Impairment charge for credit losses	02		885.831	541.488
± Depreciation and amortization of the fixed assets	03		57.761	90.811
± other adjustments to elements that don't generate cash flows	04			
± adjustments to elements included in investvemt or financial activities	05			
± other adjustments	06		47.062	3.764.762
<b>Sub-total (rd.01 la 06)</b>	07		1.118.241	4.042.112
<i>Changes in assets and liabilities related to operational activities after adjustments to elements that dont generate cash flows related to operational activities</i>				
± titluri care nu au caracter de imobilizări financiare	08			
± Receivables to credit institutions	09		146.286	-3.513.283
± Receivables from customers	10		-2.506.723	-2.857.796
± Othe receivables	11		-2.538.044	-2.446.652
± other assets related to operational activities	12		1.986.668	2.543.510
± Debts to credit institutions	13			
± Debts to customers	14			
± Other debts	15		-204.971	-227.740
± other debts related to operational activities	16		-704.391	-388.359
± cash payments representing corporate income tax	17			
<b>Cash flows from operating activities (rd.07 la 17)</b>	18		-2.702.934	-2.848.208
<b>Cash flows from investing activities</b>				
± cash payments for acquisition of subsidiaries or branches	19			
± cash receipts from sales of subsidiaries or branches	20			

cash dividends received	21			
cash payments for acquisitions of financial assets	22			
cash receipt from sale of financial assets	23			
cash received representing interest gain	24			
cash payments for acquisition of land, plant and equipment and other fixed assets, intangible assets, long term assets	25		-140.066	-548.886
cash received from sale of land, plant and equipment and other fixed assets, intangible assets, long term assets	26			
other cash payments related to investing activities	27			
other cash received related to investing activities	28			
<b><i>Cash flow from investing activities</i></b> <b><i>(rd.19 la 28)</i></b>	29		-140.066	-548.886
<b>Cash flows from financing activities</b>				
cash in related to redemption of debt securities	30			9.098.556
cash out related to redemption of debt securities	31			
proceeds from the issue of share capital	32			
Acquisition of shares	33			
Sale of shares	34			
Dividends paid	35			
Other payments related to financing activities	36		419.028	-2.320.064
Other receipts related to financing activities	37		2.290.000	196.000
<b><i>Cash flow from financing activities</i></b> <b><i>(rd.30 la 37)</i></b>	38		2.709.028	6.974.492
<b>Cash and cash equivalents at the beginning of the period</b>	39		258.490	112.825
<b>± Net cash flow from operating activities (rd.18)</b>	40		-2.702.934	-2.848.208
<b>± Net cash flow from investing activities (rd.29)</b>	41		-140.066	-548.886
<b>± Net cash flow from financing activities (rd.38)</b>	42		2.709.028	6.974.492
<b>± Exchange rate adjustments</b>	43		-11.693	-61.809
<b>Cash and cash equivalents at the end of the period</b> <b>(rd.39 la 43)</b>	44		112.825	3.628.414

**OCEAN CREDIT IFN S.A.****STATEMENT OF CHANGES IN EQUITY****31.12.2021***(all amounts are expressed in RON)*

Element of the own capital	Note	Balance on January 1 <sup>st</sup> 2021	Increases		Decreases		Balance on December 31 <sup>st</sup> 2021
			Total, from which	Through transfer	Total, from which	Through transfer	
0	1	2	3	4	5	6	7
Subscribed capital		3.000.000			0		3.000.000
Capital premiums							
Legal reserves		78.344	0	0	0	0	78.344
Statuary or contractual reserves							
Revaluation reservations							
Own shares (-)							
Other reservations							
<b>Reported result</b>							
Undistributed profit							
Uncovered loss		487.769	0		120.488		367.281
<b>Reported result from the accounting errors correction</b>							
Balance in hand							
Balance due							
Reported result representing the surplus made from revaluation reservations							
Reported result from passing to the application of the Accounting regulations according to the European directives							
Balance in hand							
Balance due							
<b>Financial exercise result</b>							
Profit		127.587	0		127.587		0
Loss			354.949				354.949



**OCEAN CREDIT IFN S.A.****STATEMENT OF CHANGES IN EQUITY****31.12.2020***(all amounts are expressed in RON)*

Element of the own capital	Note	Balance on January 1 <sup>st</sup> 2020	Increases		Decreases		Balance on December 31 <sup>st</sup> 2020
			Total, from which	Through transfer	Total, from which	Through transfer	
0	1	2	3	4	5	6	7
Subscribed capital		3.000.000			0		3.000.000
Capital premiums							
Legal reserves		71.245	7.099	0	0	0	78.344
Statuary or contractual reserves							
Revaluation reservations							
Own shares (-)							
Other reservations							
<b>Reported result</b>							
Undistributed profit		765.066			765.066		0
Uncovered loss		1.841.432			1.353.663		487.769
<b>Reported result from the accounting errors correction</b>							
Balance in hand							
Balance due							
Reported result representing the surplus made from revaluation reservations							
Reported result from passing to the application of the Accounting regulations according to the European directives							
Balance in hand							
Balance due							
<b>Financial exercise result</b>							
Profit		659.841	127.587		659.841		127.587
Loss							

## **INTRODUCTION**

OCEAN CREDIT IFN SA (hereinafter “The Company”) was incorporated on 09.04.2015, as a private equity company, being established according to the provisions of Law no. 31/1990, as well as of the Ordinance no. 28/2006 regarding the regulation of some financial and fiscal measures.

OCEAN CREDIT IFN SA is registered with the Bucharest Commerce Registry under the number J40 / 4381/2015, having as main activity the granting of consumer credits, microcredit, CAEN CODE 6492, and secondary activity 6499 - other financial intermediation.

It is registered at D.G.F.P. - Bucharest under the number 34353350 and in the records of the National Bank of Romania in the General Register under the number RG-PJR-41-110300 / 28.08.2015, having its headquarters in Bucharest, 112 Calea Floreasca Street, Sector 1.

On December 31, 2021, the composition of the Board of Directors was as follows:

- Mr Ciorba Radu, Romanian citizen, President of the Board of Directors
- Mr David Ruslan, Romanian citizen, member of the Board of Directors
- Mr. Ionescu Dan Augustin, Romanian citizen, member of the Board of Directors

The company is a Romanian legal person and is authorized by the National Bank of Romania to carry out lending activities for individuals.

The scope of activity of the Company consists in the granting of consumer loans.

The Company does not have subsidiaries as of December 31, 2021.

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

### **a) The conclusion and presentation of the financial situations**

The financial situations are elaborated according to the accounting accrual. In this way, the effects of the transactions and of other events are recognized when the transactions and the events are produced (and not when the cash or its equivalent is cashed or paid) and are registered in the accounting registers and reported in the financial situations of the related periods.

The financial situations have been concluded according to:

- 1) The Order of the National Bank of Romania no. 6/2015 („BNR Order no. 6/2015) for the approval of the accounting Regulations according to the European directives applicable to the credit institutions, the non-banking financial institutions and the deposits guarantee Fund in the banking system with the ulterior modifications and amendments;
- 2) Accounting Law no. 82/1991 with the ulterior modifications and amendments;
- 3) Other legal regulations issued by the Ministry of Public Finance and National Bank of Romania, regarding the elaboration and conclusion of the financial situations.

The Company makes the accounting registrations in Romanian Lei according to the Accounting Regulations and to the reports issued by the National Bank of Romania and the Ministry of Public Finance.

The operating currency of the financial situations is RON. All numbers are presented in Romanian Leu, rounded to 1 Leu.

### **b) Significant accounting principles**

#### ***Principle of the activity continuity***

The financial situations are elaborated according to the principle of the activity continuity. The Company does not have the intention and neither the need to liquidate or reduce in significant way its activity; if such intention or need existed, it might be necessary for the financial situations to be concluded on a different evaluation basis and in this case, it will be presented the information regarding the used basis.

#### ***Principle of the methods permanence***

This implies the continuity of the application of the same rules regarding the evaluation, registration in the accountancy and presentation of the patrimony elements and results, ensuring the comparability in time of the accounting information.

#### ***Principle of caution***

The value of the patrimony elements has been determined based on the principle of caution. It has been taken into account the following aspects:

a) it has been taken into account only the profits recognized until the conclusion date of the financial exercise;

b) it has been taken into account all predictable obligations and potential losses that appeared during the concluded financial exercise or during a previous exercise, even if such obligations or losses appeared between the date of the exercise conclusion and the date of the balance conclusion;

c) it has been taken into account all value adjustments owed to the depreciations.

#### ***Principle of the exercise independence***

It has been taken into account all incomes and expenses corresponding to the financial exercise for which the report is being made, without being taken into account the date of the amounts cashing or of the payments making.

#### ***The principle of the separate evaluation of the asset and liability elements***

In order to establish the total value corresponding to a balance position, it has been separately determined the value related to each individual element of assets or liabilities.

#### ***Principle of intangibility***

The opening balance for each financial exercise corresponds to the conclusion balance of the previous financial exercise, except for the cases provided by the BNR Order no. 27/2011.

#### ***Principle of the non-compensation***

The values of the elements that represent have not been compensated with the values of the element that represent liabilities, respectively the incomes with the expenses, except for the compensations between the assets and liabilities accepted by the legal provisions.

#### ***Principle of the economic prevalence over the juridical***

The information presented in the financial situations reflects the economic reality of the events and transactions, not only their legal form.

#### ***The principle of the significance threshold***

The elements that have a significant value have been distinctly presented in the financial situations. The elements with non-significant values that have the same nature or similar functions have been cumulated, not being necessary their separate presentation.

#### **c) Estimations use**

For those elements whose value is unsure and that must be included in the financial situations, in the accountancy, must be done the best estimations. For this purpose, it has been revised the values of the patrimony elements in order to reflect the events ulterior to the conclusion date of the financial exercise, the

circumstances changes or the acquiring of new information, anytime those values are significant. Where there is the case, the effect of these modifications has been included in the same balance position.

The events that have appeared after the balance date and have given additional information regarding the estimations made by the management on the balance date lead to the adjustment of the patrimony elements in order to reflect the additional information.

#### ***Adjustments for the asset's depreciation***

The financial assets are being analyzed on the conclusion date of each balance if there is some objective clue according to which an asset can be depreciated. If any such clue exists, the Company must estimate the recovery value of the asset, using the best estimations as well as the regulations in force.

#### **d) Policies and accounting methods**

##### **The conversion of the amounts expressed in foreign exchange**

The transactions in foreign exchange are registered at the rate of exchange published by the National Bank of Romania valid on the transaction date. The rate differences that result from the transactions concluded in foreign exchange are included as incomes or expenses on the transactions conclusion date, using the rate of exchange from the respective day.

The loss or profit from the exchange resulting from the conversion of the monetary assets and liabilities is reflected in the profit and loss account of the current year.

The monetary assets and liabilities registered in foreign exchange are expressed in lei at the rate from the account balance conclusion day, except for the assets in foreign exchange registered as financial assets that are converted to lei at the rate of exchange in force on their purchase date.

The rates of exchange of the main foreign currencies at the end of the financial exercise have been:

<b>THE CURRENCY</b>	<b>December 31<sup>st</sup> 2020</b>	<b>December 31<sup>st</sup> 2021</b>
Euro (EUR)	1:RON 4,8694	1:RON 4,9481
Dollar (USD)	1:RON 3,9660	1:RON 4,3707

#### ***Incomes and Expenses from interests***

Incomes and expenses from interests are recognized in the profit and loss account, according to the principles of the commitment accountancy. The incomes from interests are generated based on the rates due and are recognized in the profit and loss account.

The commissions that are integral part of the effective rate of the interest of a financial instrument represents a compensation for how would be the evaluation of the financial situation of the debtor and of other similar

agreements, the negotiation of the financial instrument clauses, the elaboration and processing of the documents as well as the conclusion of the transaction in case of credits granting; commitment commissions received for granting a credit, when there is probable granting a credit and other similar amounts.

### ***Incomes and Expenses from commissions***

Incomes from commissions include the incomes related to the services granted to third parties and the expenses with commissions include the expenses related to the services provided by third parties.

The recognition of the incomes or expenses from commissions depends on their economic nature. In this way, according to the economic nature, the commissions are classified in three categories:

### ***Financial instruments***

#### ***i) Classifications***

The financial instruments owned for transaction are those purchased or produced mainly for the purpose of generating profit on short term. This category includes the transaction titles and the instruments derived that are not being used in risk cover operations.

The credits and receivables are underived financial assets with fixed or determined payments, that are not rated on an active market, other than those that the Company intends to immediately or in a close period sell, those that the Company after the initial recognition assigns as financial assets owned for trading, those that the Company after the initial recognition assigns as owned for selling or those that the owner may not substantially recover all initial investment from other reason than the credit depreciation.

The credits and receivables include the loans and advances granted to the clients.

The investments owned until due date represent those financial assets with fixed or determined payments and the fixed due that the Company has the firm intention and possibility to keep until due date.

In the conditions in which the Company proceeds to selling or reclassifying of significant values of investments titles during the current financial exercise or during two previous financial exercises, this cannot classify any financial assets as investment title (contamination rule). This interdiction does not apply in the situation in which the respective sell or reclassification:

- Is so close to the due of the financial assets (for example, with less than three months before the due) so that the modifications of the interest rate on the market could not have a significant effect over the just value of the financial assets;
- Takes place after it has been recovered in substantial way the value of the main financial assets, through sequenced payments or through anticipated reimbursements or;
- Is attributed to an isolated event, is not repetitive and cannot be anticipated in reasonable way.

In case of transfer from the category of placement titles in the category of investments titles, the net

accounting value of the respective titles on the transfer dates becomes the new purchase cost/price of these. The transfers from the category of placement titles in the transaction titles are not allowed.

The financial assets available for selling are those financial assets that are not loans and receivables produced by the Company, financial assets owned for transaction or investments owned until due.

**ii) Recognition**

The company recognizes the credits and advances granted to the clients, the debentures issued and the loans on the date when they have been transferred to the Company.

**iii) Evaluation**

The financial instruments are initially evaluated on expenses. After the initial recognition, the financial assets owned for transaction are evaluated at the just value. The financial assets available for selling are evaluated on the balance date at the smallest value from the market and purchase value.

All non-tradable financial liabilities, credits granted, receivables and financial assets owned until due are recognized at amortized expenses. The amortized expenses is calculated using the method of effective interest in case of the credits granted.

All profits and losses from the modification of the financial instruments value owned for transaction and the losses from the modification of the financial assets value available for selling are recognized in the profit and loss account.

**iv) Principles of the just value measurement**

Through just value it is understood the amount for which the asset might be changed of free will between the parties, in a transaction with objective determined price.

The just value of the financial instruments is based on a price rating on an active market at the balance date, without deducing the transaction expenses. In case there is no price rating, the just value of the financial instruments is estimated using models in order to establish the prices of an option or the analysis of the updated cash flows.

**v) Derecognizing**

The financial assets are derecognized when the Company losses control of the contractual rights regarding the respective asset. The Company losses this control in case it makes the rights over the benefits specified in the agreement, the rights expire, or the Company gives up these rights.

The financial assets that are being sold are derecognized on the discount date. The financial debts are derecognized when the obligations specified in the agreement has been downloaded, has been cancelled or has expired.

The transferred assets based on a selling agreement through which the Company reserves the possibility to

resume or redeem the ceded, for the payment of an established price, on an established date or term, are derecognized.

### ***Cash and cash equivalents***

For the conclusion of the cash flows situation, the cash and the cash assimilated elements includes balances that have initial due under 90 days including: the cash and the balances of the current bank accounts, as well as deposits at banks and other equivalents of cash.

### ***Petty Cash and the availabilities at central banks***

Petty Cash and the availabilities at banks include the effective cash from the cash desks of the work points and head office of the Company.

### ***Receivables over the credit institutions***

The receivables over the credit institutions include all receivables that result from bank transactions owned by the Company over the credit institutions, inclusively the balances of the current bank accounts and deposits made in banks.

These are registered at the nominal value, except for the credit specific provision in case of registration of some possible losses from the depreciation of these receivables.

### ***Receivables over the clientele***

Receivables over the clientele include all asset elements that represent receivables over the clients, others than the credit institutions.

The credits over the clientele are classified as credits and receivables. These credits are recognized in the moment in which the money get in the debtor's possession and are presented in balance at the level of the existent balance, except the credit risk specific provision determined as the difference between the accounting value and the estimated recovery value of the credit.

### ***Debts and other loaned funds***

The debts and other loaned funds are classified as „Debts regarding the credit institutions” or „Other debts” according to the issuer, if it is a credit institution or not. These represent contractual commitments that have as result the obligation of the Company to issue cash in order to satisfy the contractual obligation. After the initial evaluation, the debts and other loaned funds are evaluated after the amortized expenses using the linear method.

### ***Tangible assets***

The tangible assets are registered on purchase expenses, except for the cumulated amortization and depreciation losses.

The amortization is calculated through the linear method on the period of life estimated for each element



from the assets category. The life durations of the used fixed means are established according to the Government Decision 2139/2004 for the approval of the Catalogue regarding the normal classification and durations of functioning of the fixed means correlated with their useful life duration.

The amortizations durations of the fixed means used on categories are the following:

Construction works	2
IT equipment	3
Other equipment	3 - 4
Transport means	4

The purchase cost includes the buying price, the non-recovery taxes, transport expenses and other accessories expenses necessary for putting in functioning state or entering in the control of respective asset.

The maintenance and reparations of the assets are passed on expenses when they appear, and the improvements made are capitalized. The improvements are capitalized if they extend the life duration of the asset or if they significantly increase the generating capacity of some economic benefits by this one. The running assets are not subdued to the amortization until the moment of putting into use.

The profit and losses at the removal from use of the tangible assets is determined through the reporting at the accounting net value and are considered at the determination of the operational profit.

### ***Intangible assets***

The intangible assets are registered on purchase expenses, except for the cumulated amortization and losses from depreciation.

The intangible assets include software and licences. The ulterior expenses made with intangible assets after its buying or finalizing it is usually registered in the expenses accounts when they are made. The ulterior expenses shall increase the cost of the intangible assets when there is probable that these expenses shall allow the asset to generate future economic benefits over the performance initially provided and can be credible evaluated.

The amortization is recognized in the profit and loss account through the linear method on the period of estimated life duration for each element from the category of intangible assets. The estimated life durations for the intangible assets are of 3 years.

### ***Associated entities***

The associated entities are those where the Company owns an influence, without it being a subsidiary or exist an association agreement in participation of the investor.

### ***The parties in special relations with the Company***

The parties in special relations with the Company include:

- The companies that control the Company directly or indirectly through one or more intermediaries, are controlled by this or together with the Company, are under joint control;
- Companies in which the institution have a significant influence, and these are not subsidiaries of it and neither association in participations;
- Those physical persons that directly or indirectly own a share from the voting right of the Company, fact that gives them a significant influence over it, as well as the close family members to any such persons;
- Those persons from the Company's management that have the authority and responsibility to plan, lead and control the institution's activities, directly or indirectly, including any director (executive or otherwise) of the institution. In order to establish the persons included in this category there are being taken into account, with priority, their role and responsibilities in the institution and not necessarily assigning the position occupied by these;
- Other companies in which an above described person owns, directly or indirectly, a substantial rating in the voting rights or the companies over whom such a person may exercise a significant influence;

#### ***Adjustments for the assets depreciations***

The financial assets are analysed on the conclusion date of each balance. If there existed any objective clue according to which an asset may be depreciated, the Company estimates the recovery value of the asset.

An adjustment for depreciation is registered in the situation in which the accounting value of the assets surpasses its recovery value. The adjustment for depreciation is recognized in the profit and loss account.

The adjustment for the depreciation can be retaken if it has been done a change in the existent conditions at the moment of the recovery value determinations. Retaking an adjustment for depreciation can be done only so that the net value of the asset does not surpass its historical accounting net value, considering the depreciation and without taking into account the adjustment.

#### ***i) Credits granted to the clients***

The credits are presented in balance at the level of the existent balance, except for the adjustments for depreciation determined through the multiplication of the credits exposures, adjusted according to the guarantees expressed at their just value, with the adjustment percentages for depreciation related to each category of credits classification as they are presented below.

The Company uses in prudential purposes the BNR Regulation no. 5/2012 and the Order 4/2012, with the ulterior modifications and amendments as legal basis for the classification, constitution and use of the adjustments for depreciation of credit risk.

According to this regulation, the exposures from credits/placements are classified and adjusted in the

following categories:

<b>Classification categories</b>	<b>Provision coefficients for credits (others than those registered in currency or indexed at the rate of a currency, granted to the physical persons exposed to the currency risk)</b>	<b>Provision coefficients for credits registered in currency or indexed at the rate of a currency, granted to the physical persons exposed to the currency risk</b>	<b>Debt service</b>
Standard	0	0,07	0 – 15 days
In observation	0,05	0,08	16 – 30 days
Substandard	0,2	0,23	31 – 60 days
Doubtful / Arguable	0,5	0,53	61 – 90 days
Loss	1	1	Min 91 days

The adjustment for depreciation is calculated through the application of the above-mentioned percentages over the credit balance and the attached receivable.

The Company registers adjustment for depreciation when there is information that indicate possible losses. The Company uses adjustments for depreciation related to credits when there is fulfilled one of the following conditions:

- There have been exhausted the legal possibilities of recovery or it has been fulfilled the prescription term or
- There have been transferred the contractual rights related to the credit.

The adjustment for the depreciation of the receivables over the clientele is registered in the profit and loss account and is deduced from the corresponding assets category from the balance.

i) ***Tangible and intangible assets***

The adjustment for the diminution of the tangible and/or intangible value is made according to the intention of the Company to keep the asset for the purpose of use or non-use in the exploitation activity or according to the market price. If the Company intends to use the asset in the exploitation activity, the adjustment for the diminution of the assets value is calculated through comparing the recovery value through use with accounting net value. If the Company does not intend to use the assets in the exploitation activity, the adjustment for the diminution of the assets value is calculated through comparing the net value achievable through selling with the accounting net value.

If the reasons that led to the constitution of the adjustment for depreciation cease to exist in some measure,

then that adjustment for depreciation shall be correspondently retaken on the incomes. In the event the depreciation is superior to the constituted adjustment for depreciation, it shall be constituted an additional adjustment for depreciation.

#### ***Pensions and other benefits post – retirement***

The Company in the normal development of the activity executes payments to the Romanian pension's funds for its employees, for pensions, health and unemployment insurances. All the Company's employees are included in the state pensions system.

The Company recognizes based on the principle of commitment accounting, the expenses generated by the compensations of the labour agreement termination when there is a policy in this way or when there is a restructuration plan in the law conditions. The Company does not develop any other retirement plan and thus has no other obligation regarding the pensions.

#### ***Corporate Tax (Tax on profit)***

The Company registers the tax on profit established according to the accounting Regulations and of report issued by the National Bank of Romania and the Ministry of Public Finances.

The tax on profit related to the exercise includes the current tax.

The current tax is the payable tax related to the period, determined based on the percentages applied on the balance date and of all adjustments related to the previous period.

The used rate of the tax on profit is of 16% applicable to the profits made on Romania's territory.

#### ***Provisions for litigations***

The Company establishes provisions for litigations for covering the possible losses that may be registered following the litigations where it acts as defendant/ responsible civil party, with a claim valued in money.

On December 31<sup>st</sup> 2019 there are no claims or estimations of some possible claims known by the Company's management, for which it would be necessary establishing a provision.

#### ***Assets and contingent debts***

##### ***Contingent assets***

A contingent asset is a potential asset that appears following some events previous to the balance date and whose existence shall be confirmed through the apparition or non-apparition of one or more unsure future events that cannot be wholly under the control of the non-banking financial institution.

The contingent assets are not recognized in the financial situations, because they are not certain, and their recognition could determine the recognition of an event that may not be fulfilled.

In case an income making is certain, the related asset is not a contingent asset and it is recognized in the balance. The contingent assets are continuously evaluated in order to ensure the corresponding reflection in

the financial situation of the modifications that appear. If the entering of economic benefits becomes certain, the assets and the corresponding income shall be recognized in the financial situations related to the period when the modifications appeared.

### *Contingent debts*

A contingent debt is:

- a) A potential obligation, appeared following some past events previous to the balance date and whose existence shall be confirmed only by those that are not totally under the control of the non-banking financial institution;

or

- b) A current obligation appeared following some past events previous to the balance date, but which is not recognized because:
  - It is not certain there would be necessary resources that include economic benefits for the clearance of this debt; or
  - The value of the debt cannot be evaluated credible enough.

The contingent debts are not recognized in the balance; these being presented in the elements outside the balance.

In the situation in which the Company has an obligation joint with other parties, the part assumed by the other parties is presented as a contingent debt.

The contingent debts are continuously evaluated in order to determine if it has become probable an exiting of resources that include economic benefits. If it becomes probable the fact that it will be necessary, a resource exiting that includes economic benefits for an element considered previously

contingent debt, it is recognized a provision in the financial situations related to the period when the modification appeared, except the cases where there has not been made any credible estimation and thus it shall exist a debt that cannot be recognized but will be present as contingent debt.

### ***Financial year result***

The profit or loss is cumulatively established from the beginning of the financial exercise as the difference between its incomes and expenses.

The profit remained after the division for the legal reservation constitution, is taken at the beginning of the next financial exercise in the account „Reported result” from where it follows to be divided on destinations according to the shareholders general meeting.

The registered loss is to be covered from the profits of the previous years, the remained uncovered part is carried forward (the next years).

## 2. INFORMATION REGARDING SOME BALANCE POSITIONS

### 2.1 Other assets

The amounts presented under the item - Other assets, are mainly the following:

- miscellaneous debtors in the amount of 127,743 lei, of which Volt Finance SA owes the amount of 71,665 lei and OC Global Limited owes the amount of 29,447 lei.

- the company has to recover from the Health Insurance House of Bucharest Municipality, medical leave in the amount of 9,926 lei, as well as profit tax from the State Budget in the amount of 35,057 lei.

<i>Other assets</i>	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Different debtors</i>	26.470	127.743
<i>Outstanding claims</i>	27.952	0
<i>Profit tax recoverable</i>	0	35.057
<i>Other assets</i>	9.690	9.926
<b><i>Total other assets, gross</i></b>	<b>64.348</b>	<b>172.726</b>
<i>Provisions for various debtors</i>	0	0
<b><i>Total other assets, net</i></b>	<b><u>64.348</u></b>	<b><u>172.726</u></b>

### 2.2 REVENUE AND EXPENSES IN ADVANCE

Income and prepayments are mainly the result of interest on outstanding and unpaid loans, interest on loans not repaid on maturity, and interest on non-performing loans at maturity.

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Income recorded in advance</i>		
<i>Income in advance of calculated interest and badly matured</i>	492.948	0
<b><i>Total debt, of which:</i></b>	<b>8.178</b>	<b>1.177</b>
<i>- debts attached to other loans</i>	0	0
<i>- Deposited from credit institutions</i>	0	0
<i>- Depreciated from shareholders</i>	8.178	1.177
<i>Expenses to pay</i>	0	0
<i>Income in advance structural funds</i>	7.292	4.792
<b><i>Total</i></b>	<b><u>508.418</u></b>	<b><u>5.969</u></b>

	<u>31.dec.20</u>	<u>31.dec.21</u>
<i>Expenses registered in advance</i>	<b>(lei)</b>	<b>(lei)</b>
<i>Receivables attached on credits</i>	116.599	94.341
<i>Outstanding and doubtful interest rates on loans to customers</i>	2.538.044	2.446.652
<i>Income to Receive</i>	492.948	0
<i>Expenses registered in advance</i>	8.699	279.461
<b><i>Total prepaid expenses and incomes ,gross</i></b>	<b><u>3.156.290</u></b>	<b><u>2.820.454</u></b>
<i>Specific provisions for attached receivables</i>	2.455.630	2.293.173
<i>Specific commissions for commissions</i>	0	0
<b><i>Total prepaid expenses and engaged revenue, net</i></b>	<b><u>700.660</u></b>	<b><u>527.281</u></b>

### 3.Cash and other values / Receivables on credit institutions

3.1 The Company owns a cash desk; does not have any available funds at the National Bank of Romania.

	<u>31.dec.20</u>	<u>31.dec.21</u>
	<b>(lei)</b>	<b>(lei)</b>
<i>Cash register</i>	6.678	8.984
<i>Current bank accounts with credit institutions</i>	106.147	3.619.430
<b><i>Cash and cash equivalents at the end period</i></b>	<b><u>112.825</u></b>	<b><u>3.628.414</u></b>

### 3.2 Receivables on clients

Receivables from customers are derived from consumer credit loans to individuals

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Current loans to non-bank customers</i>	4.792.385	6.591.727
<i>Overdue and doubtful credits</i>	2.796.782	3.855.236
<i>Claims on customers, gross</i>	<b>7.589.167</b>	<b>10.446.963</b>
<i>Specific risk provisions</i>	<b><u>-2.462.467</u></b>	<b><u>-3.164.468</u></b>
<b>Total</b>	<b><u>5.126.700</u></b>	<b><u>7.282.495</u></b>

### 3.3 DEBT ON CREDIT INSTITUTIONS

In July 2020, the Company contracted a bank loan from TBI Bank of the credit line type to finance the current activity, amounting to 1,500,000 lei. The loan was granted for a period of 12 months calculated from the Contract's start date. The annual interest rate is composed of the Reference Rate to which is added the bank's margin of 11.30%.

In 2021, the credit line from TBI Bank was supplemented with the amount of 1,000,000 lei and extended for a period of 12 months, the balance of the loan becoming 2,500,000 lei. In July 2021, the Company decides to repay in full amount the loan.

The company has an ongoing financial leasing contract with Impuls-Leasing IFN SA, having as object a vehicle, with a duration of 36 months. The entry value of the good without VAT is 25,194 Euro. The book value at 31.12.2021- principal 11,595.69 euros.

The debt situation regarding the credit institutions as of 31.12.2021 is presented as follows:

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Debts to credit institutions</i>	1.500.000	0
<i>Financial leasing</i>	87.926	57.377
<b>Total</b>	<b><u>1.587.926</u></b>	<b><u>57.377</u></b>



### 3.4 OTHER DEBTS

The amounts presented in the item - Other liabilities, represent mainly amounts due to suppliers amounting to 522,133 lei. Of this value, the amount of 212,026 lei represents invoices not received from OG Global Limited presented in note 11.

<i>Other liabilities</i>	<u>31.dec.20</u>	<u>31.dec.21</u>
	<b>(lei)</b>	<b>(lei)</b>
<i>Loans from shareholders</i>	619.000	0
<i>Other loans</i>	0	0
<i>Suppliers</i>	459.111	522.133
<i>Payroll and fees due</i>	36.702	60.234
<i>Amounts being clarified</i>	8.371	14.687
<i>Other taxes due on VAT</i>	240.563	70.921
<i>Total other liabilities</i>	<b><u>1.363.747</u></b>	<b><u>667.975</u></b>

In April 2021 Ocean Credit IFN SA has signed an loan agreement with the holding company OC Global Limited with a total amount of 196.000 lei. During the year 2021 , the Company has reimbursed the loan in total, the principal balance at 31.12.2021 zero lei.

**On December 31, 2020, the situation of loans was as follows:**

<u>Loans from shareholders</u>	<u>Currency</u>	<u>Contracted amount</u>	<u>Balance in RON</u>	<u>Final maturity</u>
OC GLOBAL LIMITED	RON	400.000	329.000	09.09.2021
OC GLOBAL LIMITED	RON	170.000	170.000	11.02.2022
OC GLOBAL LIMITED	RON	120.000	120.000	27.02.2022
<b>Total</b>			<b><u>619.000</u></b>	

#### **4. INFORMATION REGARDING THE PORTFOLIO OF TITLES**

**4.1** In July 2021 Ocean Credit IFN SA has issued 18.668 registered Bonds, dematerialized, unsecured, subordinated, non convertible in shares, denominated in euro, with a par value of 100 euro/bond, with a maturity of 5 years from issue and with a possibility of early redemption starting with the 3rd year, with a fixed interest rate of 8,75% per year, payable quarterly , in a total nominal value of 1.866.800 euro.

**Type of securities:** Registered, dematerialized, unsecured, subordinated, non-convertible bonds denominated in euro;

**Number of bonds:** 18,668, with the possibility of supplementing the issue up to 30,000 bonds

**Nominal value:** 100 euro / bond

**Offer price:** 98.5 euro / bond

**Annual Coupon Rate:** 8.75%, fixed

**Coupon payment:** quarterly.

The Coupon Period will run from the Issue Date. The coupon (Interest) is calculated by reporting the actual number of days that have passed from a coupon period to a number of 365 days representing a year. Maturity Date: 5 years from the Issue Date.

In November 2021, the bonds were listed on the Bucharest Stock Exchange.

**4.2 The Company does not own its own shares on 31 December 2021.**



5. *Tangible and intangible assets (CONTINUATION)*

	Gross value				Depreciations (amortization and provisions)					
	Balance Code 01.jan 2021	Increases	Transfers	Decreases	Balance 31.dec 2021	Balance 01.jan 2021	Depreciation during the exercise	Decreases or retaking	Balance 31.dec 2021	
	1	2	3	4	5	6	7	8	9	
<i>Furniture, office equipment, protective equipment of human and material values and other tangible assets</i>		55.670	0	0	0	55.670	30.998	0	30.998	
<i>Advances and tangible assets In progress</i>		0	0		0	0	0	0	0	
<i>Total Tangible Assets</i>		<b><u>412.951</u></b>	<b><u>18.215</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>431.166</u></b>	<b><u>259.604</u></b>	<b><u>51.623</u></b>	<b><u>0</u></b>	<b><u>311.227</u></b>
<i>Total Assets</i>	<b><u>x</u></b>	<b><u>604.913</u></b>	<b><u>554.321</u></b>	<b><u>0</u></b>	<b><u>5.436</u></b>	<b><u>1.153.798</u></b>	<b><u>427.492</u></b>	<b><u>90.810</u></b>	<b><u>0</u></b>	<b><u>518.302</u></b>

Statement of fixed assets at 31 December 2020

	Gross value					Depreciations (amortization and provisions)				
	Balance	Increase	Transfer	Decreass	Balance	Balance	Depreciatio	Decreases	Balance	
	01.ian	s	s	total	31.dec	01.ian	during		31.dec	
	2020				2020	2020	the exercise		2020	
	1	2	3	4	5	6	7	8	9	
<b>INTANGIBLE ASSETS</b>										
Other intangible assets	90	186.912	343	0	0	187.255	136.176	31.712	0	167.888
Advances and intangibles in progress		0	4.707	0	0	4.707	0	0	0	0
<b>TOTAL</b>										
<b>INTANGIBLE ASSETS</b>		<b><u>186.912</u></b>	<b><u>5.050</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>191.262</u></b>	<b><u>136.176</u></b>	<b><u>31.712</u></b>	<b><u>0</u></b>	<b><u>167.888</u></b>
<b>TANGIBLE ASSETS</b>										
Arrangements Constructions	100	64.914	0	0	0	64.914	64.914	0	0	64.914
Technological equipment (machinery, plant and equipment For work)		24.200	0	0	0	24.200	19.355	0	0	19.355
Devices and installations of measurement, control and adjustment		114.182	12.618	0	0	126.800	99.319	18.399	0	117.718
Means of transport		18.969	122.398	0	0	141.367	18.969	7.650	0	26.619

5. *Tangible and intangible assets (CONTINUATION)*

	Gross value				Depreciations (amortization and provisions)					
	Balance	Increases	Transfers	Decreases	Balance	Balance	Depreciation	Decreases	Balance	
Code	01.jan				31.dec	01.jan	during	or	31.dec	
	2020				2020	2020	the exercise	retaking	2020	
	1	2	3	4	5	6	7	8	9	
<i>Furniture, office equipment, protective equipment of human and material values and other tangible assets</i>	55.670	0	0	0	55.670	30.998	0		30.998	
<i>Advances and tangible assets In progress</i>	0	0		0	0	0	0	0	0	
<b>Total Tangible Assets</b>	<b><u>277.935</u></b>	<b><u>135.016</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>412.951</u></b>	<b><u>233.555</u></b>	<b><u>26.049</u></b>	<b><u>0</u></b>	<b><u>259.604</u></b>	
<b>Total Assets</b>	<b><u>x</u></b>	<b><u>464.847</u></b>	<b><u>140.066</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>604.913</u></b>	<b><u>369.731</u></b>	<b><u>57.761</u></b>	<b><u>0</u></b>	<b><u>427.492</u></b>

## 6. EQUITY

The legal reserve amounting to 78.344 lei is constituted by the allocation of maximum 5% of the gross profit before taxation until the reserve equals 20% of the subscribed and paid-up share capital.

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Legal reserves</i>	78.344	78.344
<i>Reported result - Profit / (loss)</i>	-487.769	-367.281
<i>The result of the financial year - Profit</i>	127.587	-354.949
<i>Distribution of profit</i>	0	0
<i>Other reservations</i>	0	0
<b>Total</b>	<b>-281.838</b>	<b>-643.886</b>

The share capital of Ocean Credit IFN S.A. consists of 3,000,000 shares issued and paid in full at face value of RON 1 each. Each share represents a vote.

### 31 december 2021

	<i>Number of shares</i>	<i>Percentage held</i>	<i>The nominal value of the shares held</i>
<i>OC Global Limited</i>	2.990.000	99.67%	2.990.000
<i>Ionescu Dan Augustin</i>	10.000	0.33%	10.000
<b>Total</b>	<b><u>3.000.000</u></b>	<b><u>100%</u></b>	<b><u>3.000.000</u></b>

### 31 december 2020

	<i>Number of shares</i>	<i>Percentage held</i>	<i>The nominal value of the shares held</i>
<i>OC Global Limited</i>	2.990.000	99.67%	2.990.000
<i>Ionescu Dan Augustin</i>	10.000	0.33%	10.000
<b>Total</b>	<b><u>3.000.000</u></b>	<b><u>100%</u></b>	<b><u>3.000.000</u></b>

## 7. PROFIT DISTRIBUTION

At December 31, 2021, the Company recorded a loss of RON 354.949 .

According to the law no. 31/1990, with subsequent modifications and completions, profit companies are obliged to set up legal reserves, by distributing from the gross profits a quota of 5%, until the level of at least 20% of the subscribed share capital is reached and spilled. The legal reserve on 31 December 2020 is in the amount of 78.344 lei.

The net accounting loss registered at the end of 2021, of 354.949 lei will be proposed for approval at the Annual Shareholders Meeting. The loss registered at 31.12.2021 shall be covered by future years profits.

<i>Profit distribution</i>	<u><i>31.dec.20</i></u>	<u><i>31.dec.21</i></u>
	(lei)	(lei)
<i>Net Profit / Loss</i>	127.587	-354.949
<i>Legal reserve</i>	78.344	0
<i>Other unallocated reserves / profit</i>	0	0

## 8. Adjustments for Impairment losses

<i>Specific provisions for loans</i>	<u><i>31.dec.20</i></u>	<u><i>31.dec.21</i></u>
	(lei)	(lei)
<i>Balance at the beginning of the period</i>	<b>1.999.461</b>	<b><u>2.462.467</u></b>
<i>Expenditure on provisions</i>	636.757	1.192.301
<i>Income from provisions</i>	-173.751	-490.300
<b><i>Balance at the end of the period</i></b>	<b><u>2.462.467</u></b>	<b><u>3.164.468</u></b>



## 9 INFORMATION REGARDING SOME POSITIONS FROM THE PROFIT AND LOSS ACCOUNT

### 9.1 Interests to receive and assimilated incomes

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Interests on current bank accounts</i>	0	31
<i>Credits granted to the clientele</i>	3.288.570	4.529.768
<b><i>Total Interest Income</i></b>	<b><u>3.288.570</u></b>	<b><u>4.529.799</u></b>

### 9.2 Interests to pay and assimilated expenses

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Borrowings from banks and financial institutions</i>	59.735	194.361
<i>Bond loans</i>	0	356.278
<b><i>Total Interest Expenses</i></b>	<b><u>59.735</u></b>	<b><u>550.639</u></b>

### 9.3 Commissions incomes

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<b><i>Operations with clientele</i></b>	<b>2.022.272</b>	<b>2.965.109</b>
<b><i>Total commissions incomes</i></b>	<b><u>2.022.272</u></b>	<b><u>2.965.109</u></b>

### 9.4 Commissions expenses

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Operations with credit institutions</i>	175.292	216.935
<i>Operations with Clients</i>	0	94.081
<i>Bond issue commission</i>	0	25.406
<b><i>Total expenses with commissions</i></b>	<b><u>175.292</u></b>	<b><u>336.422</u></b>

## 9.5 Net profit or loss on financial operations

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Profit / (loss) on revaluation of assets and foreign currency liabilities</i>	-11.693	-61.809
<i>Net profit on financial operations</i>	<u>-11.693</u>	<u>-61.809</u>

## 9.6 Other operating income

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Various income from structural funds</i>	208	2.500
<i>Other incomes</i>	10.107	51.792
<i>Total other operating income</i>	<u>10.315</u>	<u>54.292</u>

## 9.7 Administrative expenses

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Research</i>	140.066	0
<i>Telecommunications, data processing and courier services</i>	48.862	100.799
<i>Advertising and protocol</i>	545.376	710.916
<i>Traveling</i>	18.929	97.405
<i>Materials and inventory items</i>	37.935	34.203
<i>Utilities, maintenance and repair (buildings, cars, systems)</i>	29.890	16.240
<i>Audit and other consultancy services</i>	190.601	402.887
<i>Insurance premiums</i>	3.307	7.217
<i>Lawyers, executors, court fees</i>	72.359	209.221
<i>IT software</i>	230.700	229.720
<i>Expenses with collaborators</i>	53.725	62.261
<i>Other administrative expenses</i>	<u>820.153</u>	1.560.657
<i>Total other administrative expenditure</i>	<u>2.191.903</u>	<u>3.341.596</u>

The company paid in 2021 the amount of 34.500 lei to financial auditors and the amount of 368.387 lei for consultancy services in the financial field.

Expenditures with marketing consulting services in 2021 amounted to 657.295 lei.

### 9.8 Other operating expenses

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Other taxes and local budget taxes</i>	251.710	176.585
<i>Interest on other borrowed loans</i>	108.860	29.330
<i>Rent</i>	103.356	105.239
<i>License rents</i>	1.114.813	1.600.139
<i>Fines</i>	0	5.075
<b><i>Total other operating expenses</i></b>	<b><u>1.578.739</u></b>	<b><u>1.916.368</u></b>

### 9.9 Expenses with provisions

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Provisions on loans</i>	636.757	1.192.301
<i>Provisions on interests</i>	594.526	817.739
<i>Provisions for commissions</i>	0	1.944
<i>Off-balance sheet receivables</i>	0	813.059
<b><i>Total expenses with provisions</i></b>	<b><u>1.231.283</u></b>	<b><u>2.825.043</u></b>

### 9.10 Reversal provisions

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Provisions on loans</i>	173.751	490.300
<i>Provisions on interests</i>	171.701	980.196
<i>Receivables from off-balance sheet receivables</i>	0	44.115
<b><i>Total income from provisions</i></b>	<b><u>345.452</u></b>	<b><u>1.514.611</u></b>

**10. INFORMATION ABOUT EMPLOYEES AND MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

**Staff costs**

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Salary costs</i>	213.415	413.865
<i>Expenditure on social protection and social protection, out of which:</i>	0	0
<i>- expenditure on pensions</i>	<u>0</u>	<u>0</u>
<i>- other contributions to social protection</i>	<u>4.802</u>	<u>9.315</u>
<b><i>Total staff costs</i></b>	<b><u>218.217</u></b>	<b><u>424.380</u></b>

On December 31, 2021 the amount of 413.865 lei (2020: 213.415 lei) represents the expense with the gross salaries, including the social taxes, related to the staff employed during the financial year.

	<u>31.dec.20</u>	<u>31.dec.21</u>
<i>Number of employees at the end of the exercise, out of which:</i>	6	9
<i>- number of employees in the front office compartments</i>	0	0
<i>- number of employees in back office compartments</i>	6	9
<i>Average number of employees, out of which</i>	4	6
<i>- Leadership</i>	1	1
<i>- direct productive staff</i>	3	5

**Expenditure on management staff**

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Salary costs</i>	28.200	45.507
<i>Other wage costs</i>	0	0
<i>Expenditure on social protection and social protection, out of which:</i>	635	1.024
<i>- expenditure on pensions</i>	<u>0</u>	<u>0</u>
<b><i>Total expenditure on management staff</i></b>	<b><u>28.835</u></b>	<b><u>46.531</u></b>

The board member, Radu Ciorba, was paid in the financial year 2021 with a gross amount of 45.507 lei (2020: 28.200 lei).

During 2021 no cash advance payments were made to company's Directors, 21 lei have been settled down, cash balance at 31 December 2021 amounts to 6.353 lei.

No credits were granted to the members of the board of directors, management and supervision in 2021.

## 11. AMOUNTS DUE /TO RECEIVE FROM AFFILIATES

The nature of the relationship with related parties with which the Company had significant transactions or with balances as at 31 December 2021 is detailed below.

The following transactions were carried out with the shareholders of the Company: OC Global Limited, persons in the management of the Company: Ciorba Radu, and with affiliated companies: Annra Organisation SRL with 50% ownership by Mr. Ciorba Radu and Volt Finance SA with 98% ownership by OC Global Limited.

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Assets</i>		
<i>Credits granted to the members of the management of the company</i>	0	0
<i>Advanced amounts- Volt Finance SA</i>		71.665
<i>Advanced amounts- OC Global Limited</i>		29.447
<i>Other debit balances - advance for settlement</i>	6.374	6.353
<b><i>Total assets</i></b>	<b><u>6.374</u></b>	<b><u>107.465</u></b>

	<u>31.dec.20</u>	<u>31.dec.21</u>
<i>Loan Liabilities</i>	619.000	0
<i>Interests on loans</i>	8.178	1.177
<i>Incoming invoices OC Global Limited</i>		212.026
<b><i>Total liabilities</i></b>	<b><u>627.178</u></b>	<b><u>213.203</u></b>

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Expenses</i>		
<i>Expenses with interest on loans</i>	108.860	29.330
<i>Interest expense on bonds Annra Organisations</i>	0	143.258
<i>Expenses with various services</i>	299.000	23.000
<i>Licensing costs</i>	1.114.581	1.594.509
<b><i>Total expenses</i></b>	<b><u>1.522.441</u></b>	<b><u>1.790.097</u></b>

Based on the service license agreement signed in 2020 for the use of the software solutions **MyOcean** (called **Platform**), the Company registered in the year 2021 licensing expenses in amount of 1.594.509 lei (2020: 1.114.581 lei).

During the year 2021, the Company successfully developed and released a new innovation credit product, called revolving credit line - Dolphin, that includes elements of a credit line combined with specific traditional micro finance products.

In order to implement the project, the Company had signed a software development agreement through the holding Company OC Global Limited, that amounted 90.000 eur, without VAT.

## 12. INFORMATION ABOUT GEOGRAPHICAL MARKETS

The company operates only on the territory of Romania.

## 13. CONTINGENT LIABILITIES AND COMMITMENTS

The Company has no contingent liabilities and commitments.

## 14. OTHER INFORMATIONS

### 14.1 Information on profits tax

	<u>31.dec.20</u>	<u>31.dec.21</u>
	(lei)	(lei)
<i>Profit / Loss before tax</i>	141.986	-354.949
<i>Items deductible - legal reserve</i>	7.099	0
<i>Tax depreciation</i>	54.611	78.211
<i>Non-deductible expenses</i>	76.892	166.934
<i>Taxable profit</i>	157.258	-266.226
<i>Tax loss carried over from the previous year</i>	-48.513	0
<i>Taxable profit after loss / tax loss</i>	108.745	-266.226
<i>The final profit tax, according to the profit tax statement</i>	<b>14.399</b>	<b>0</b>
<i>Annual profit</i>	<b>127.587</b>	<b>-354.949</b>

### 14.2 RISK MANAGEMENT

The main risks associated with the activities of the Non-banking Financial Institutions are of financial and operational nature resulting from the development of crediting activities. The most important financial risks to which it is exposed the Company are the credit risk, the currency risk, the interest risk, the liquidation risk, the risk related to taxes, the operational risk, the reputation risk, the business environment.

#### a) Credit risks

The company is exposed to the credit risk that is the risk of losses registration or non-fulfilment of the estimated profits, following the non-fulfilment by the counterparty of the contractual obligations.

The source of the credit risk is the receivables of the Company. The due date of the debts is closely monitored, and the amounts owed after the term surpassing are followed promptly. The Company continuously monitors the service of the clients' debts and establishes, regularizes and uses monthly specific provisions of credit risk.

Following the receivables is made internally by the collection department. For those non-performing credits for which the actions of the collection department have not given results there are developed actions by the legal department.

As at 31 December 2021, the loan portfolio, in terms of the classification category, is structured as follows:

	<b>31.dec.20</b>	<b>%</b>	<b>31.dec.21</b>	<b>%</b>
<i>Standard</i>	4.745.532	62.71%	6.454.814	61.97%
<i>In observation</i>	154.108	2.04%	370.598	3.56%
<i>Substandard</i>	189.580	2.51%	356.684	3.42%
<i>Doubtful</i>	123.217	1.63%	319.954	3.07%
<i>Loss</i>	2.355.237	31.12%	2.914.624	27.98%
<b>Total</b>	<b>7.567.673</b>	<b>100%</b>	<b>10.416.674</b>	<b>100%</b>

#### **b) Currency risk**

The company is not exposed to currency risk because it does not have significant transactions in foreign currencies.

#### **c) Interest rate risk**

The company faces the risk of interest due to exposure to unfavorable fluctuations in market interest. Changing interest rates on the market directly influences the income and expense of variable-cost assets and liabilities, as well as the real value of fixed interest bearing assets.

#### **d) Liquidity risk**

The main sources of risk are the lack of correlation between the maturity of assets and the maturity of interest-bearing liabilities, as well as the evolution of the interest rate for interest-bearing assets and liabilities.

The Company's strategy in managing liquidity risk is to equalize the duration of assets with liabilities for all maturity, considering that changes in the value of assets must be correlated with changes in the value of the obligations.

The Company's approach is to ensure, as much as possible, sufficient liquidity to meet its obligations when it becomes due so that there is no significant loss.

The value and structure of monetary assets and liabilities at December 31, 2021 and December 31, 2020, according to the liquidity analyzed according to the remaining period up to the maturity date of the contract, is presented in the following table:



The tables below aggregate the Company's assets and liabilities in relevant maturity ranges based on the remaining period of the balance sheet date to the contractual maturity.

*Period until the contractual maturity date*

<i>31 december 2021</i>	<u>Up to 3 months</u>	<u>3 -&gt; up to 12 months</u>	<u>1 -&gt; up to 5 years</u>	<u>Over 5 years</u>	<u>Indefinite due date</u>	<u>Total</u>
<b>Assets</b>						
<i>Cash in hand</i>	8.984	0	0	0	0	<b>8.984</b>
<i>Claims on credit institution bank accounts</i>	3.619.430	0	0	0	0	<b>3.619.430</b>
<i>Customer receivables</i>	5.089.551	2.183.542	9.402	0	0	<b>7.282.495</b>
<i>Intangible assets</i>	0	0	0	0	515.557	<b>515.557</b>
<i>Tangible assets</i>	0	0	0	0	119.939	<b>119.939</b>
<i>Other assets</i>	172.726	0	0	0	0	<b>172.726</b>
<i>Expenditures recorded in advance and employee income</i>	391.720	45.730	218.487	0	0	<b>655.937</b>
<b><i>Total assets</i></b>	<b><u>9.282.411</u></b>	<b><u>2.229.272</u></b>	<b><u>227.889</u></b>	<b><u>0</u></b>	<b><u>635.496</u></b>	<b><u>12.375.068</u></b>
<b>Liability</b>						
<i>Debts on credit institutions</i>	8.189	25.052	24.137	0	0	<b>57.377</b>
<i>Customer Loans</i>	36.285	0	0	0	0	<b>36.285</b>
<i>Debts constituted by securities</i>			9.098.556			<b>9.098.556</b>
<i>Other liabilities</i>	667.975	0	0	0	0	<b>667.975</b>
<i>Adjusted Income and Employee Liabilities</i>	154.178	1.875	2.708	0	0	<b>158.761</b>
<i>Provisions for risks and expenses</i>	0	0	0	0	0	<b>0</b>
<b><i>Total debt</i></b>	<b><u>866.627</u></b>	<b><u>26.927</u></b>	<b><u>9.125.401</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>10.018.954</u></b>
<b><i>Net balance position</i></b>	<b><u>8.415.784</u></b>	<b><u>2.202.345</u></b>	<b><u>-8.897.512</u></b>	<b><u>0</u></b>	<b><u>635.496</u></b>	<b><u>2.256.114</u></b>

*Period until the contractual maturity date*

<i>31 december 2020</i>	<i>Up to 3 months</i>	<i>3 -&gt; up to 12 months</i>	<i>1 -&gt; up to 5 years</i>	<i>Over 5 years</i>	<i>Indefinite due date</i>	<i>Total</i>
<i>Assets</i>						
<i>Cash in hand</i>	6.678	0	0	0	0	6.678
<i>Claims on credit institution bank accounts</i>	106.147	0	0	0	0	106.147
<i>Customer receivables</i>	5.126.700	0	0	0	0	5.126.700
<i>Intangible assets</i>	0	0	0	0	24.074	24.074
<i>Tangible assets</i>	0	0	0	0	153.347	153.347
<i>Other assets</i>	46.634	17.714	0	0	0	64.348
<i>Expenditures recorded in advance and employee income</i>	700.660	0	0	0	0	700.660
<i>Total assets</i>	5.986.819	17.714	0	0	117.421	6.181.954
<i>Liability</i>						
<i>Debts on credit institutions</i>	7.751	1.523.711	56.464	0	0	1.587.926
<i>Customer Loans</i>	10.800	0	0	0	0	10.800
<i>Other liabilities</i>	744.747	329.000	290.000	0	0	1.363.747
<i>Adjusted Income and Employee Liabilities</i>	501.751	1.875	4.792	0	0	508.419
<i>Provisions for risks and expenses</i>	0	0	0	0	0	0
<i>Total debt</i>	1.265.049	1.854.586	351.256	0	0	3.470.891
<i>Net balance position</i>	4.721.770	-1.836.872	-351.256	0	117.421	2.711.063

#### **e. Operational risk**

Operational risk is the risk of loss or non-realization of estimated profits, which can be determined by internal factors (inappropriate performance of internal activities, the existence of inadequate personnel or systems, etc.) or external factors (economic conditions, changes in the banking environment, technological advances, etc.).

Considering the importance that the Company attaches to human capital, management of operational risk is concerned with the proper management of personnel risk.

At the same time, the management of the legal risk - the operational risk component, as a result of the non-application or defective application of the legal or contractual provisions, which adversely affects the operations or the situation of the Company.

#### **f. Reputational risk**

Reputational risk is the risk of loss or loss of earnings due to the lack of public confidence in the integrity of the Company.

The management of reputational risk aims at permanently assuring a positive image, in line with the reality, in the market, in front of the clients, the other banks and financial institutions in the system, the shareholders, the state institutions, the supervision, the control, the media.

#### **g. The risk of taxation**

Tax legislation in Romania contains detailed and complex rules and has undergone variants in recent years. The interpretation of the law and the practical implementation of tax legislation procedures may vary, and there is a risk that certain transactions, for example, may be interpreted differently by tax authorities than they have been interpreted by the Company.

In addition, the Romanian Government has a number of agencies authorized to carry out the audit (control) of companies operating on the territory of Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues that are of interest to these agencies. The Company may continue to be subject to tax controls as new tax regulations are issued.

#### **h. The economic environment risk**

The process of adjusting risk-based values that has taken place on international financial markets in recent years has affected their performance, including the Romanian financial and banking market, leading to increased uncertainty about economic developments in the future.

The current liquidity and credit crunch led, among other things, to a low level and difficult access to capital market funds, low liquidity levels in the Romanian banking sector, and high interbank lending rates. Significant losses on the international financial market could affect the Company's ability to obtain new and refinancing loans of existing facilities under conditions similar to those applicable to previous transactions.

Identifying and assessing investments influenced by a liquidity-free credit market, reviewing compliance with credit agreements and other contractual obligations, assessing significant uncertainties, including

uncertainties about the Company's ability to continue to operate for a reasonable period of time, all of which it also raises other challenges.

Company borrowers may also be affected by liquidity crisis situations that could affect their ability to honor their current liabilities. Deteriorating the operating conditions of creditors and borrowers could also affect the management of cash flow forecasts and the impairment analysis of financial and non-financial assets. To the extent that information is available, management reflected revised estimates of future cash flows in its impairment policy.

The current concerns about the possibility that deteriorating financial conditions may contribute to a further decline in confidence have led to coordinated efforts by Governments and Central Banks to take special measures to counteract the growing aversion to risk and restoring normal market conditions.

The Company's management can not predict events that could have an effect on the Romanian financial and banking sector and, subsequently, what effect they might have on these financial statements.

Management can not reliably estimate the effects on the Company's financial statements resulting from the deterioration in financial market liquidity, the depreciation of financial assets influenced by illiquid market conditions, and the high volatility of domestic currency and financial markets.

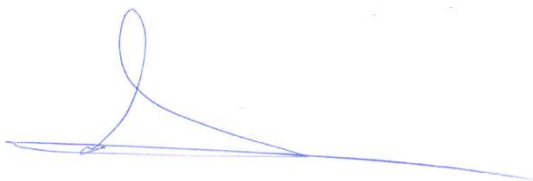
The Company's Management believes that it takes all the necessary measures to support the Company's growth in current market conditions by:

- preparing strategies for managing the liquidity crisis and setting up measures to address possible liquidity crises;
- constant monitoring of liquidity;
- forecasts of current liquidity.

Radu Ciorba

Chairman of the Board of Directors

Ocean Credit

A handwritten signature in blue ink, consisting of a large loop followed by a long horizontal stroke that tapers to the right.

**CC AUDIT & ASSURANCE SERVICES SRL**

Ganeasa, Pescariei Str., no. 2A, Ilfov county

**J23/5394/2018**

**CUI 40118413**

ASPAAS FA629/648/21



## **INDEPENDENT AUDITOR'S REPORT**

**To the shareholders of the company OCEAN CREDIT IFN SA**

### *Opinion*

1. We have audited the attached financial statements of the company **OCEAN CREDIT IFN SA** ("The Company"), having its registered office in Romania, Bucharest, District 1, 112 Calea Floreasca Street, identified by the unique tax registration code **34353350**, which comprise the statement of financial position as of 31 December 2021, the profit and loss account, the statement of changes in equity and the cash flow statement for the financial year ended on that date, as well as a summary of significant accounting policies and explanatory notes.

2. The financial statements as of 31 December 2021 present the following:

- *Net assets / Total equity and reserves:* 2,356,114 lei
- *Loss of the year:* 354,949 lei

**In our opinion, the accompanying separate financial statements provide a fair view of the financial position of the Company as of 31 December 2021, as well as, of the financial performance and the cash flow statement for the financial year ended on that date, in accordance with the accounting**

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**legislation in Romania, Law Nr. 82/1991, and the Order of the National Bank of Romania Nr. 6/2015 for the approval of the Accounting Regulations compliant with the European Directives, with the the summary of a summary (“NBR Order 6/2015”), BNR Regulation no. 5/2012 regarding the classification of loans and the establishment, regularization and use of specific credit risk provisions applicable to entities supervised by the National Bank of Romania, other than credit institutions and with the summary of a summary („Regulation BNR 5/2012”) and accounting policies presented in the first explanatory note.**

*Basis for Opinion*

3. We conducted our audit in accordance with International Standards on Auditing (ISA) EU Regulation (EC) No 537/2014 of the European Parliament and of the Council as subsequently amended and supplemented ("Regulation") and Law Nr. 162/2017 (the "Law") on the statutory audit of the annual financial statements and the consolidated annual financial statements and amending certain regulations with subsequent amendments and completions (the “Law”). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Company, according to the Ethical Code of Professional Accountants 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,

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including the Regulation and the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code.

In good faith and on the basis of the best information, we declare that we have not provided any other services than the audit services to the Company in the period between January 1, 2021 and December 31, 2021.

#### ***Key Audit Matters***

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters 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.

For the key audit matter described below, we have provided the description in which our audit has addressed the matter.

We have fulfilled our responsibilities described in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report, including with regards to the key audit matter. As a consequence, our audit included performing the planned procedures to address our assessment of significant risk of errors in the financial statements. The results of our audit, including the undertaken procedures to address the matters below, represent the basis for our opinion on the accompanying financial statements.

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*Recognition of the loan from the bond issue and the related interest and related fees.*

5. In the financial year 2021, the company issued a number of 18,668 bonds, traded on the regulated market in Romania, thus attracting a total financing of € 1,866,800. This loan is classified according to the accounting policies presented in Note 1 in the category of long-term debt.

Due to the novelty in the company's activity and the significant share of this financing in the category of the company's debts, the recognition of the debt and the related expenses with interest is a key aspect of the audit.

The expenses with the interests related to this loan for the year 2021 were in the amount of 356,278 lei and were recognized as expenses of the current period with direct influences as a result of the financial year related to the year 2021.

The expenses with the commissions occasioned by obtaining this financing were initially recognized as advance expenses of the company, being allocated on a monthly cost for the entire life of the loan obtained.

*Our auditing procedures comprised, but without limitation to it, among others:*

- analysis of data on interest / fees related to the loan obtained,
- we have assessed whether the data used to calculate the coupon (interest) is complete and correct



- we have evaluated the mathematical formula used to recognize the interest applicable over the estimated life of the loan,
- verifying the conformity of the Company's accounting principles with the NBR Order No. 6/2015 for the approval of the Accounting Regulations complying with European directives

*Specific provisions for credit risk for impairment of loans to customers*

**6. We focused on this area, as Management issues subjective judgments on estimating the amount of losses from specific credit risk provisions that represent a complex area of accounting.**

The assessment of the specific credit risk provisions for the impairment of loans granted to customers is made based on the classification of loans in a classification category and according to the forecasting coefficients provided in the NBR Regulation no. 5/2012.

The classification categories are determined by grouping the loans according to the debt service and the existence of debt recovery procedures. In accordance with the legal provisions, the company has calculated and recorded specific risk provisions. These are highlighted in note 3.2. "Claims on customers".

*Our auditing procedures comprised, among others:*

- regarding the policy for calculating specific credit risk provisions for the impairment of receivables from customers, we assessed the adequacy of the main assumptions used in the calculation of the Company's provisions with the principles and requirements of the NBR Regulation no. 5/2012;
- we evaluated and tested on a sample basis the operation and operational effectiveness of the key controls on the data and the calculations for determining the specific credit risk provisions for the impairment of receivables from customers.

- these include those controls performed by the Company's management to ensure that the lending process is conducted in accordance with internal policies, that repayments are properly allocated to the correct credit balances and that the days of delay are calculated correctly by the Company's system.

#### *Other Information - Administrators' Report*

7. Administrators are responsible for compiling and presenting other information. That other information includes the Directors' Report, but does not include the auditor's financial statements and report, nor the non-financial statement.

Our opinion on the financial statements does not cover this other information and, unless it is explicitly mentioned in our report, we do not express any assurance of assurance.

With regard to the audit of the financial statements for the year ended 31 December 2021, it is our responsibility to read that 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 acquired, we obtained during the audit, or if they appear to be significantly distorted.

Regarding the Administrators' Report, we read and report on whether it was drafted, in all material respects, in accordance with the NBR Order No. 6/2015, for the approval of the Accounting Regulations compliant with the European directives, paragraph 229.

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On the sole basis of the activities to be carried out 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 have been prepared is consistent, in all material respects, with the financial statements;
- b) The Administrators' Report was drawn up, in all material respects, in accordance with NBR Order no. 6/2015 for the approval of the Accounting Regulations compliant with the European directives, paragraph 225.

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the course of our audit of the financial statements for the year ended 31 December 2021, we are required to report whether we have identified significant misstatements in the Administrators Report. We have nothing to report on this issue.

***Responsibilities of Management and Those charged with Governance for the Financial Statements***

8. The Management of the Company is responsible for preparing the financial statements to provide a fair view in accordance with the accounting legislation in Romania, Law Nr. 82/1991, and the NBR Order No. 6/2015 for the approval of the Accounting Regulations compliant with the European directives, with subsequent amendments, and internal control that management deems necessary to enable it to prepare financial statements free of material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its business, to present, if applicable, business continuity and use-of-business accounting, unless the management intends to liquidate the Company or stop the operations, or have no other realistic alternative outside of them.

10. Those charged with Governance are responsible with overseeing the process of preparing the financial statements of the Company.

***Auditor's Responsibilities for the Audit of the Financial Statements***

11. 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 the International Audit Standards 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.

12. As part of an audit in accordance with the International Audit Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease out its activity on the basis of the principle of continuity of activit

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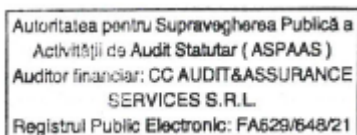


Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

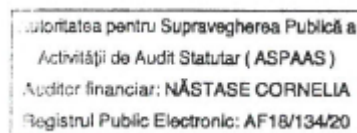
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Audit company registered in the electronic public register of financial auditors and audit companies with no. FA629 / 648/21



Through Mrs. Cornelia Nastase

Financial auditor registered in the electronic public register of financial auditors and audit companies with no. AF18 / 134/20



Bucharest, 21.04.2022