ANNUAL REPORT
2022

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

Report date	28.04.2023
Company name	OCEAN CREDIT IFN S.A.
Head office	Bucharest, Cal. Floreasca 112, et 2, sector 1
Phone number	0758 068 000
Email address	info@oceancredit.ro
Unique registration code	34353350
Commercial register number	J40/4381/2015
Subscribed and paid-up share capital	3.000.000 lei
Financial instruments	Bonds, nominal value 100 eur, maturity 2026
Market in which financial instruments are traded	Traded on the Multilateral Trading System, BVB, symbol OCIFN26E

CUPRINS

Letter to investors

Dear partners and investors,

The year 2022 marked a turning point for the Ocean Credit business. It's the year we matured, grew a high-performing management team and laid the foundation for solid growth for the future by investing in our team, technology and new product development.

The 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.

We have managed to launch a new product, which we have been planning for several years and which we have designed to differentiate ourselves in the market, but also to bring more comfort to customers who use fast loans.

At the same time, we have also expanded external partnerships with the aim of acquiring new customers. One such partnership is signed with the Volt app where users check their Fico score, receive a pre-approved offer and can apply for a Delfin Line of Credit.

Afterwards, it can be managed directly from the Volt or Ocean Credit application. Designed to offer maximum flexibility but also customised costs depending on your risk profile, Delfin has become a healthy alternative for fast credit customers, but also for credit card users who can ditch the plastic backing and turn their credit line into any debit card.

All these developments would not have been possible without the financing obtained through the capital market, the credit line obtained from TBI bank and the continued support of the shareholder.

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, with 2023 starting with the expansion of new partnerships, improved lending models and new products.

We are also confident that the team we have put together and all the planned initiatives will bring us a volume of at least 10,000 active Dolphins and a total portfolio of 30 million lei in 2023.

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

RETROSPECTIVES and PERSPECTIVES

The year 2022 represented a new important stage 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 issue date (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, 2022, Delfin's new product marked one year since launch, recording over 8,300 loans to over 3,000 new customers. For 2023, Ocean Credit management is targeting new capital market financing to enable cost-competitive lending to 10,000 new customers**.**

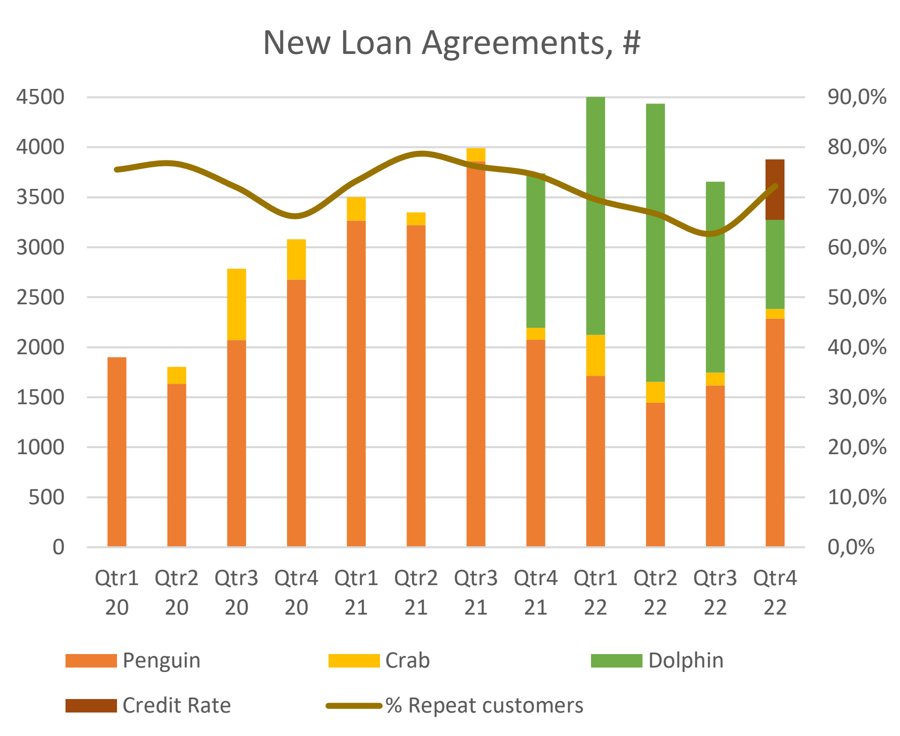
+15,3%	+34,4%	+100%	+51,5%
annual no. of credits	loan amount	microcredit income	no.new clients

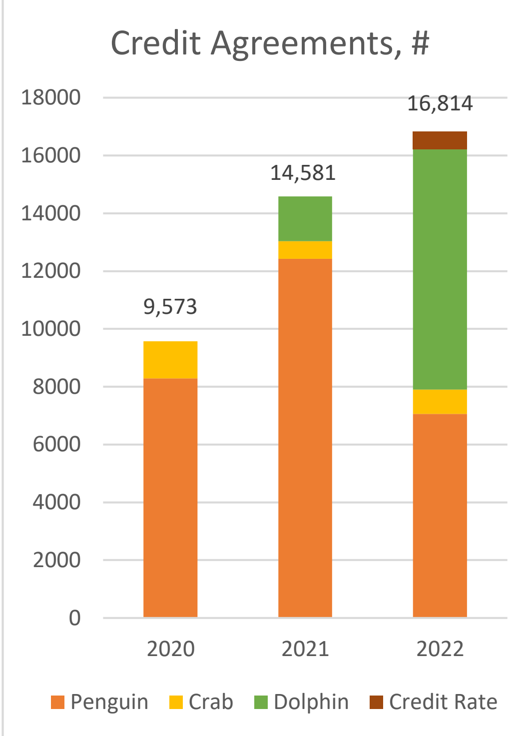
Operational and financial results in 2022 confirm the traction of the business. The **annual number of loans originated increased by 15.3% year-on-year, while the value of loans originated increased by 34.4% and microcredit income increased by 100%.**

The success of digital marketing tools, but also the network effect is reflected in the increase of **new Ocean customers from 2,736 in 2020, to 3,592 in 2021 (+31.3%), to 5387 (+51.5%) in 2022**.

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.

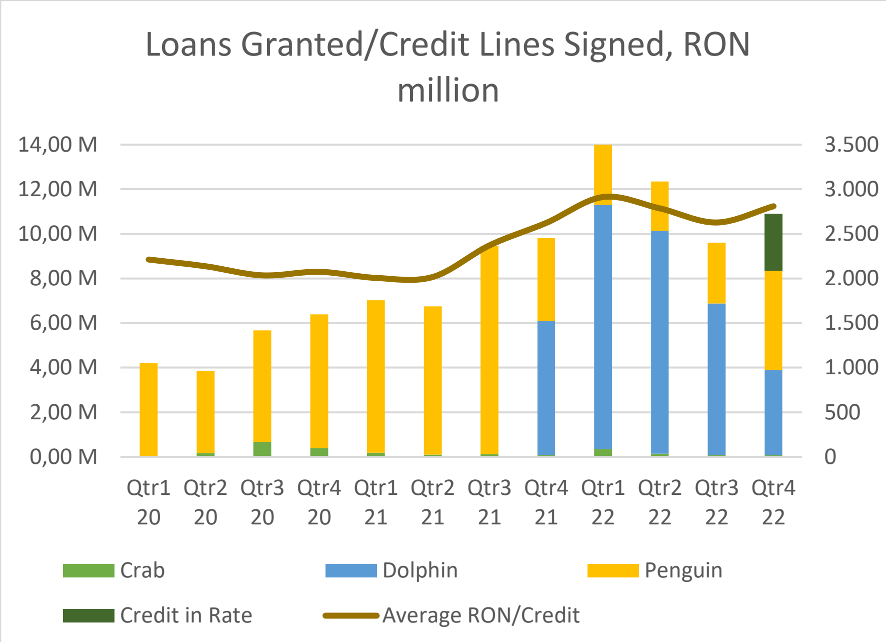
Expressed annually, the recurrence rate has evolved from 52.6% in 2018, to 71.4% in 2020 and 74.5% in 2021 respectively, and has remained at a level of 70% in 2022.

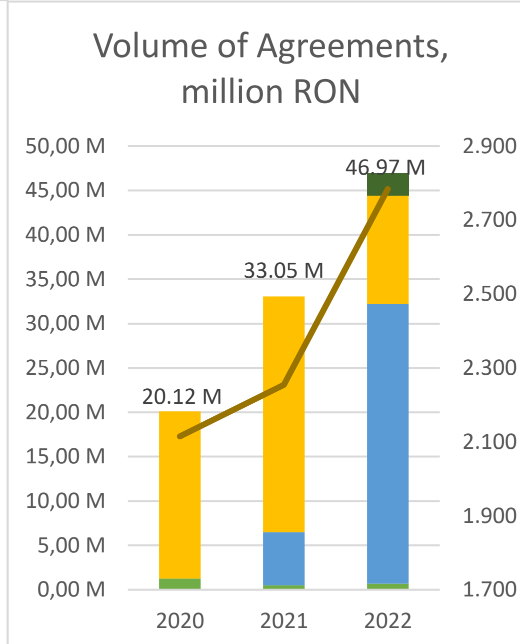




At the end of 2022, the Company recorded a total of over 113 thousand unique users on the platform and over 8 thousand active credits. The structure of lending by product in 2022 was as follows: 46% - Penguin loans, 6% - Crab, 45% - Dolphin credit lines, 4% - installment loans (12-24 months).

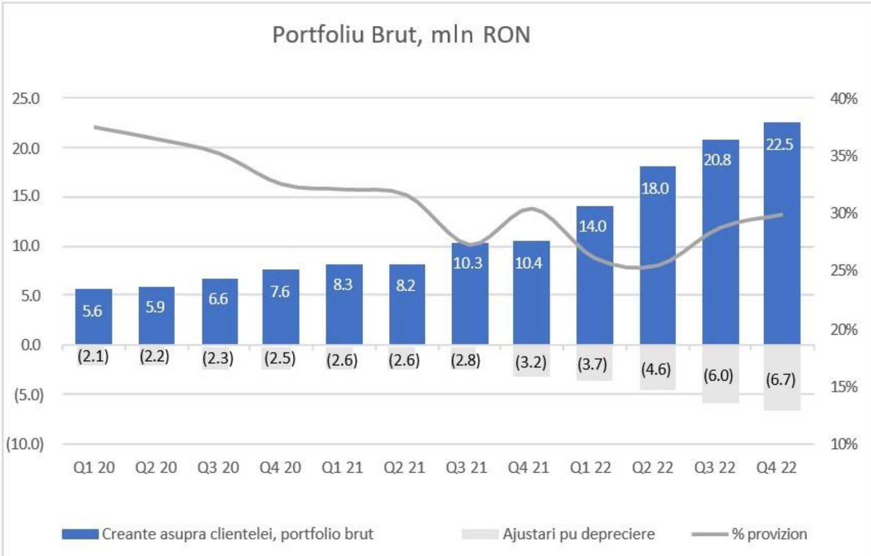
The launch of the "Dolphin" product with a longer maturity led to an increase in the average value of loans granted. The increase in the average value per loan granted and the increase in the number of contracts signed led to a doubling of the volume of loans granted from 2020-2022. Over 63% of loans originated in 2022 were Delfin Lines of Credit and approx. 29% were Penguin product. In Q1-Q3 2022, the focus was on offering the "Delfin" product with the aim of accumulating behavioral data to improve the offering algorithm. The accumulated information was the basis for the changes implemented in the bidding system starting from Q4 2022. The average ticket per product in 2022 was as follows: 1700 lei - Penguin, 3800 lei - Delfin, 800 lei - Crab, 4200 lei - Credit in instalments (12-24 months).

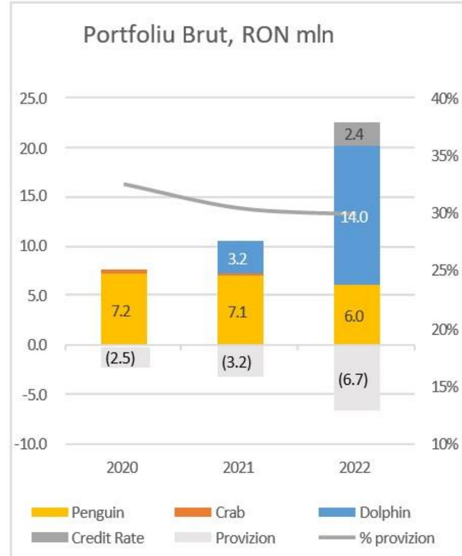




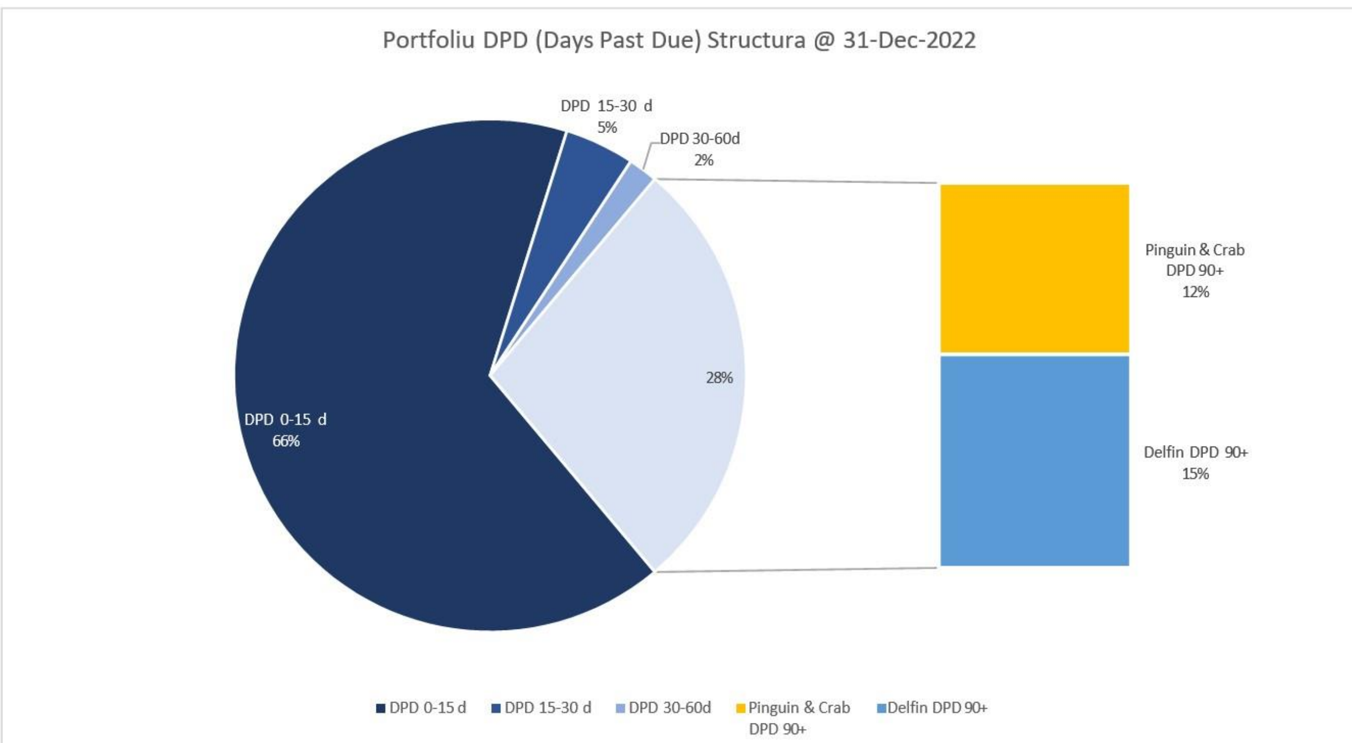
In terms of loan portfolio quality, the share of doubtful and non-performing loans (loss) was 30.0% of the gross loan portfolio as at 31.12.2022. With the launch of the product with a longer maturity and the increase in the volume of loans granted, the gross portfolio increased by more than 116% (more than 2x) in 2022 from RON 10.4 mln to RON 22.5 mln.

The launch of the Delfin product meant at the same time a temporary increase of the risk parameters in the model, just to enrich the decision model with data. If we had ignored the need to improve the machine learning model and future training, the share of credit impairment adjustments % of total portfolio would have decreased significantly due to the high level of portfolio growth. The structure of the gross portfolio by product at the end of 2022 was as follows: 62% - Delfin Credit Lines; 27% - Penguin; 0.3% - Crab and 11% - Installment Credit (12-24 months);

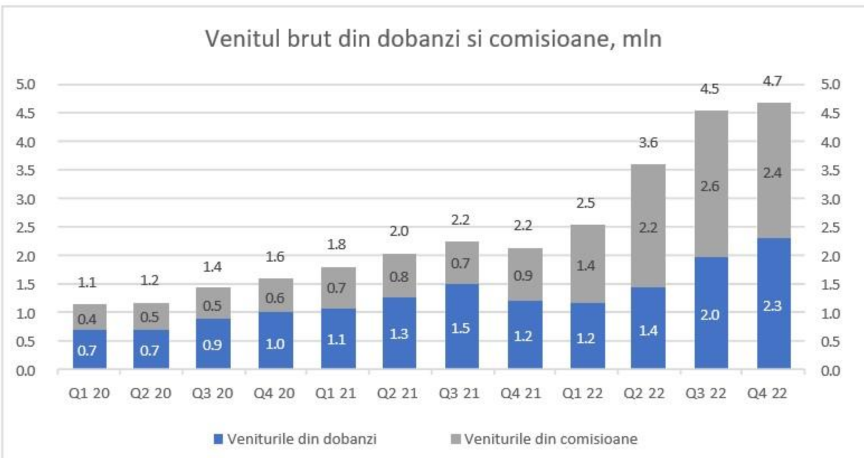




The current business model includes keeping non-performing loans in the portfolio and collecting them for 12 to 36 months. The company has a dedicated collection team for non-performing loans. The experience gained in the Hard Collection process in previous years has demonstrated the ability to recover more than 100% of the principal of non-performing loans.



Revenues and activity have marked significant increases in the reporting period, on the financial performance front, Ocean Credit marks a profit of 192,022 as at 31.12.2022, a significantly different result 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 2022, 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.



Over 21% average quarterly growth in total revenue in 2022, and almost 3x growth compared to 2020. With the launch of Delfin, the share of commission income has increased significantly, reaching over 50% of Gross Revenue in Q4 2022.

Significant events during the reporting period

In the year 2022, Ocean Credit IFN S.A. has set some important flagships for the development of the business, such as:

- **March 2022, 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. Internal working procedures and rules have been updated/developed in line with NBR requirements.

- **April 2022, Launch of price changes depending on the customer's risk category for the Penguin product (**Risk based pricing**).** Introduction of automated workflow for highly-indebted clients who wish to apply for a loan by waiver.

- **September 2022, Re training the decision algorithm for the Delfin Credit line.** Based on the data collected since the launch of Delfin, the Ocean Credit team was able to re-train the decision-making model and implement recommendations based on the analysis of customer behavioral data in order to limit the level of risk associated with the product.

- **October 2022** - launch of the Installment Loan - 12-24 months, initially aimed at refinancing loans for Ocean customers, who prefer a loan with a longer maturity and lower fixed rates. The product contains all the necessary functionalities for the Customer to manage the loan directly from the account created on the Ocean platform, including instant payments with recalculation by reducing the number of installments or the monthly installment amount.

- **November 2022,** we started working with industry specialists to upgrade the accounting solution used from Microsoft Dynamics Navision to version 2022 and synchronize transactions from the MyOceean platform directly into the ERP accounting solution. We plan to complete this development in Q1 2023. The development itself also includes the transition from January 2023 to IFRS international accounting standards.

Perspective 202 3

In 2023, the issuer's management is pursuing, as core objectives with a major impact on the results and performance of the business:

- Launch of the Fixed Installment Credit product (6-24 months), focused more on those customers who do not need to finance a purchase in equal installments.
- Continue to develop partnerships to offer White Label credit lines.
- Attracting financial resources for growth of around 10 million Euro through specialised investors, including the capital market.
- Integration of open banking solutions to transform the Delfin Credit Line through the Volt application into a universal payment tool eliminating the need for a Debit or Credit Card.

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 22.5 million lei as of 31.12.2022 to 46.5 million lei in 2023.

According to the income and expenditure budget approved at the Annual Ordinary General Meeting of Shareholders held on 25.04.2023, the implementation of the development plan for the year 2023 will bring income from lending activity estimated at 25 million lei, 65% more than in 2022, while the net result is expected to be positive, amounting to 1 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 a *scoring* application to the Romanian non-bank lending market, aimed at increasing education and balancing debt (financial lending) 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, powered and supported by the scoring platform and the *Volt* fintech instant funds transfer between cards 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 9,000 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 31.12.2022, the value of intangible assets increased threefold, from 515.6 thousand lei to 1,504.8 thousand lei, following the completion of investments in the development of the Delfin product and the Ocean Credit brand. In 2022 there were no sales or write-offs of property, plant and equipment. As at 31 December 2022, the value adjustment expenses on fixed assets amounted to 462.1 thousand lei.

Main results

Ocean Credit ended 2022 with **nearly 16,800 loans originated, up 15.3% from 2021**. Of the total loans originated last year, approximately 32% (5,387) were disbursed to new customers and 11,413 (68%) were loans to existing customers who have re-applied for Ocean Credit financing solutions.

The total value of loans granted in the reporting period (46,967.4 thousand lei) exceeded by 34.4% the value of loans granted in 2021, and the value of interest and commission income (15.4 million lei) increased by 100% in the same period. However, taking into account the expenses for Delfin product development, the **net result for the financial year is below expectations, the company recorded a profit of 192 thousand lei.**

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 2022. 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 31.12.2022 is lower compared to the previous year. The ratio of current assets to liabilities falling due within 1 year was almost 13, while the same indicator is 1.92 as at 31.12.2022. The development is justified by the fact that cash availabilities following the bond issue in July 2021 in the amount of EUR 1.84 million as well as new resources attracted by increasing the credit line from TBI Bank up to EUR 1.2 million were successfully placed on the market.

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	Description
DELFIN	**Line of credit - 12 months**	Up to 9000 lei. Daily commission (*based on the client's risk category*) applied only if the limit is used. Accessible via the web as well as via the Volt application, thus transforming any customer's debit/salary card into an Ocean Line of Credit.
Pinguin - credit in 3 instalments	**90 days**	**Daily interest rate depending on the level of risk, between 0.199% and 0.**399%.
CRAB - reimbursement in a single instalment	**30 days**	**Daily interest rate 0.5%** (will be removed from the product list in 2023)
Credit in Rate	**12-24 months**	**Daily interest rate depending on risk level, between 0.199% and 0.399% ;** Initially launched in October 2022 only as a refinancing tool for active loans in Ocean, for customers who prefer an equal installment loan with a longer maturity versus Delfin/Credit Penguin line of credit.

Ocean Credit launched its **new Delfin product** on October 1, 2021. It will allow loans of up to 9,000 lei in a revolving, 12-month line of credit format. 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 București S.A. (BVB). The issue, with a nominal value of approximately EUR 1.87 million, provides for a fixed annual interest rate of 8.75% payable quarterly, with a maturity of 5 years.

Starting March 2022, the company has secured a credit line from TBI Bank in the amount of 2.0 million Lei. The line was later extended up to 1.2 million Euro. Other sources of financing the current activity remain the loans received from the company's associate - OC Global.

Another finance lease for a car has been signed. The balance of the lease financing is 68.8 thousand lei as at 31.12.2022. Payables to suppliers at the end of the reporting period total 390.4 thousand lei.

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, 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". Paid promotional 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". 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 having a significantly higher share than women (65% vs. 35%). Almost half of the customers have an average salary between 2,500 and 2,800 lei, while the average salary for customers with higher income levels reaches 4,000 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 2,600 and 13,000 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
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.

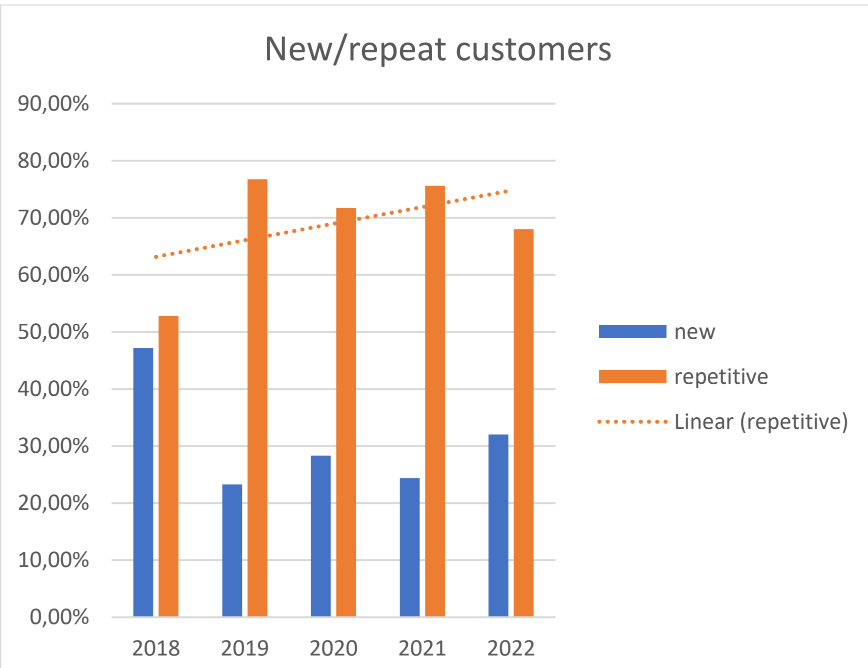
Based on the FICO score, the distribution of Ocean Credit customers on 31.12.2022 was:

- *Sub-prime* (FICO score < 550) - 43%
- *Near-prime* (FICO score 550 - 650) - 46.9%
- *Prime* (FICO score > 650) - 10.1%

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% has led to a more balanced distribution of customers by risk score in 2022.

Ocean Credit's customer recurrence rate in 2022 was approx. 69-70%, with over 11,000 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:

	DE LA ... PANA LA	DOBANDA	APROBARE IN MAXIM	PRIMUL IMPRUMUT	PERIOADA	
HoraCredit	10.000 RON (DE LA 100 PANA LA)	0,08% pe zi	30 de minute	0% dobanda	6 luni	Vezi toate cele 7 recenzii
Provident	20.000 RON (DE LA 500 PANA LA)	Variabila	48 de ore	Variabila	48 saptamani	Vezi toate cele 6 recenzii
OceanCredit	9000 RON (DE LA 500 PANA LA)	0,1% pe zi	instant	0,1% pe zi	12 luni	Vezi toate cele 5 recenzii
Viaconto	4000 RON (DE LA 200 PANA LA)	1% pe zi	30 de minute	1% dobanda	60 de luni	Vezi toate cele 8 recenzii
VivaCredit	2000 RON (DE LA 100 PANA LA)	1,2% pe zi	2 ore	0% dobanda	12 luni	Vezi toate cele 5 recenzii
CreditFix	3000 RON (DE LA 100 PANA LA)	1,2% pe zi	30 de minute	0% dobanda	92 de zile	Vezi toate cele 10 recenzii
Ferratum	1400 RON (DE LA 200 PANA LA)	1,29% pe zi	1 ore	0% dobanda	45 de zile	Vezi toate cele 7 recenzii
CreditPrime	4000 RON (DE LA 200 PANA LA)	0,99% pe zi	30 de minute	0% dobanda	24 de luni	Vezi toate cele 10 recenzii

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, 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 is again reporting profits 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 sub-prime 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, consisting 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 10 employees with the professional training required for the positions held. Total personnel expenses were 646.8 thousand lei, almost triple 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 professional, ethical behaviour in accordance with the values and organisational 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 2022 there were no incidents/litigations, complaints, referrals or claims for compensation in relation 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 non-performing loans caused by environmental issues.

Research and development activity

In 2022, the Company did not incur any expenditure on research and development activities. Within the scope 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 its 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 Company's strategic objectives.

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 2022, the loan portfolio, in terms of classification category, is structured as follows:

	31.dec.21	***%***	***31.dec.22***	***%***

Standard	6.454.814	61.97%	14.029.861	62.22%
Under observation	370.598	3.56%	848.403	3.76%
Substandard	356.684	3.42%	993.488	4.41%
Indoielnic	319.954	3.07%	418.296	1.85%
Losing	2.914.624	27.98%	6.259.926	27.76%
Total	**10.416.674**	**100%**	**22.549.974**	**100%**

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 based on:
- 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 limits on maturity mismatches.

The amount and structure of monetary assets and liabilities with a contractual maturity of up to 1 year as at 31 December 2022/2021/2020 are shown in the following table, with the net position and the ratios between asset and liability categories reflecting a comfortable level of liquidity:

Active/passive indicator	2020	2021	2022

***Current assets**, of which*	**5,986,819**	**11,511,683**	**19,275,246**
House and current accounts at banks	112,825	3,628,414	882,205
Claims on customers	5,126,700	7,273,093	15,298,314
Other claims	46,634	172,726	1,915,591
Prepaid expenditure and accrued income	700,660	437,450	1,179,136
***Current liabilities**, of which*	**3,119,635**	**893,554**	**9,201,139**
Debts relating to credit institutions	1,531,462	33,241	5,833,716
Customer-related debts	10,800	36,285	307,841
Other debts	1,073,747	667,975	2,764,773
Deferred income and accrued liabilities	503,626	156,053	294,809
Net position	**2,867,184**	**10,618,129**	**10,074,107**

Currency risk

Currency risk is defined as the risk that the Institution will incur losses or fail to achieve expected profits due to market fluctuations in foreign exchange rates. For Ocean Credit, foreign exchange 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 non-application 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 so requires, 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 several 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 takes 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; current liquidity forecasts.

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 2023 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 phase, the credit application initiation phase, 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.

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

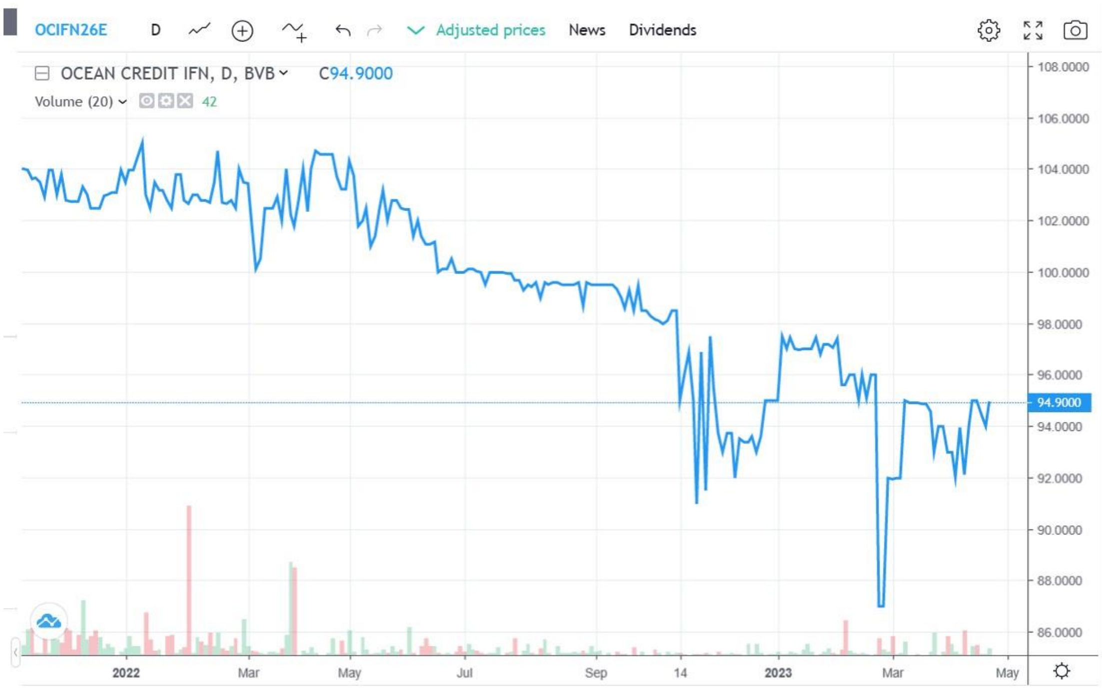
The bonds issued by Ocean Credit IFN S.A. on 23.07.2021 were admitted to trading on the SMT-BVB on 3 November 2021.

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 105.27% of the nominal value on 5 May 2022, the minimum level of 90.93% was reached on 21 October 2022.



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 value of equity and bank loans and loans obtained, 8th and 9th respectively by loan portfolio and value 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 100.0% 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.

Mr. **Sonic Alexandru**, Executive Director of the Company as of 06.06.2022, Romanian citizen domiciled in England, has contributed to the success of the third stage of Ocean Credit's business development, in the capacity of Chief Financial Officer. Mr Sonic has over 17 years of experience in financial management, including as an Executive Director in Morgan Stanley.

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 is represented by the General Manager, Mr Radu Ciorbă.

The term of office of the members of the Board of Directors is granted for 4 years and ends in 2026, while the contract between the Company and 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.

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.

The shareholders of VOLT FINANCE S.A. and Ocean Credit IFN S.A. is OC GLOBAL LIMITED through Ocean Credit Holding DAC. The majority shareholder of Ocean Credit IFN S.A., holding 99.6667% of the share capital, Mr. Ciorbă Radu, director of Ocean Credit IFN S.A. and of Volt Finance S.A., with a capital contribution of 0.02% and Mr. Reuland James Michael, an American citizen residing in the USA, whose contribution to the share capital of Volt Finance S.A. is 1.1%.

Volt Finance S.A., whose main activity falls 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.

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. Between Volt Finance S.A. and Ocean Credit IFN S.A. there are incipient commercial relationships generated by the cross-selling effect, with Volt promoting Ocean Credit 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 audited financial statements as at 31.12.2022. 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 31.12.2022 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 precautionary 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 functional currency of the Company and the presentation currency of these financial statements.

The Profit and Loss Account has the following structure:

	lei	Law	
INDICATOR NAME	**31.12.2021**	**31.12.2022**	**Variation**
Interest receivable and similar income	4.529.800	6.843.393	+51%
Interest payable and similar charges	550.639	1,355.928	+146%
Commission income	3.183.416	8.505.370	+167%
Commission expenses	336.422	651.695	+94%
Net profit or loss on financial operations	-61.809	-48.372	-22%
Other operating income	54.292	148.982	+174%
General administrative expenditure	3.855.976	5.412.747	+40%
- Staff expenditure, of which:	424.380	662.300	+56%
- Salaries	*413.865*	*646.890*	
- Social security expenditure	*9.315*	*15.410*	
- Other administrative expenditure	3.431.596	4.750.447	+38%
Other operating expenditure	1.916.368	572.620	-70%
Adjustments to the value of intangible and tangible fixed assets	90.811	462.149	+509%
Adjustments to the value of claims	2.825.043	8.477.252	+200%
Reversals of value adjustments on receivables	1.514.611	1.679.416	+11%
Result of current activity - Profit	-354.949	196.398	-155%
Total income	9.282.119	17.177.161	+85%
Total expenditure	9.637.068	16.980.763	+76%
Gross result - Profit	-354.949	196.398	
Corporate income tax	-	4,376	
Net result for the financial year - Profit	**-354.949**	**192.022**	

During the reporting period, the intensity and volume of activity accelerated, so that the total number of loans granted on 31.12.2022 was almost 16,000, 15% more than in the previous period. Also, the value of loans granted exceeded MDL 44 million, reaching a level double compared to 31.12.2020.

In line with the evolution of the activity, compared to 2021 the turnover increased by 100% reaching 15.3 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 102/184/294%

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, 80% of total revenue is generated by the Delfin product, 19% by Penguin and only 1% by Crab loans.

In terms of the structure of expenses, administrative expenses increased by 40%, at the same pace and in the same direction as the development of the activity, with the largest percentage increases being recorded in the subcategories promotion expenses (+30.4%), expenses for audit and consultancy services (+114%), which also incorporated part of the expenses for the issue of bonds and other administrative expenses (+90%). We note that of the 1,560.7 thousand lei "other administrative expenses", 657.3 thousand lei are also assimilated to investments in marketing.

The item "other operating expenses" contains 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) in 2021. In 2022 the investments made by the Company in the continued development of the online platform, namely in the creation and launch of the Delfin Credit Line product, were capitalized. Which explains the 70% decrease in the item "other operating expenses".

Staff costs increased by approximately 56%, 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 customer and loan portfolio in 2023.

Revenues and activity have marked significant increases in the reporting period, on the financial performance front, Ocean Credit marks a profit of 192,022 as at 31.12.2022, a significantly different result 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 2022, 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.

Following the preparation of the financial statements as of 31.12.2022, the structure of the Company's assets, liabilities and equity, expressed in RON, is as follows:

	lei	**lei**	
ACTIV	**31.12.2021**	**31.12.2022**	**variation**
House and other values	8.984	4.281	-53%
Claims on credit institutions	3.619.430	877.924	-76%
Claims on clients	7.282.495	16.054.862	+120%
Intangible assets	515.557	1,504.838	+192%
Tangible fixed assets	119.939	161.625	+35%
Other assets	172.726	1,915.591	+1009%
Prepaid expenses and accrued income	655.937	1,375.407	+110%
Total assets	**12.375.068**	**21.894.528**	**+77%**
	lei	**lei**	
DEBT AND EQUITY	**31.12.2021**	**31.12.2022**	
Debts related to credit institutions	**57.377**	**5,878.302**	**+10145%**
Customer-related debts	**36.285**	**307.841**	**+748%**
Other debts	**667.975**	**2,764.773**	**+314%**
Other accrued income and accrued liabilities	**158.761**	**294.809**	**+86%**
Debt securities	**9.098.556**	**10.100.667**	**+11%**
Subscribed share capital	**3.000.000**	**3.000.000**	**-**
Retained earnings - Uncovered loss	**-367.281**	**-722.230**	**97%**
Legal reserves	**78.344**	**88.164**	**-**
Profit sharing	**-**	**9,820**	**-**
Result for the financial year - Loss	**-354.949**	**192.022**	**-154%**
Total debt and equity	**12.375.068**	**21.894.528**	**77%**

The structure of the company's liabilities shows the financing of the activity through the issuance of bonds, which also allowed for the increase of debts to credit institutions by accessing the credit line opened with TBI Bank.

STATEMENT OF CASH FLOWS - indirect method

for the financial year ending 31 December 2022

- RON -

Indicator name	No. rd.	Note	Financial year	
			previous	closed
Net result	01		-354.949	192.022
Components of net result not generating cash flows from operating activities				
± the constitution or regularisation of depreciation allowances and provisions	02		541.488	6.995.398
+ depreciation charges	03		90.811	462.149
± other adjustments related to non-cash flow items	04			
± adjustments for items included in investing or financing activities	05			
± other adjustments	06		3.764.762	-1.269.080
Sub-total (rd.01 to 06)	07		4.042.112	6.380.489
Changes in operating assets and liabilities after adjustments for non-cash operating items				
± securities that are not financial fixed assets	08			
± claims on credit institutions	09		-3.513.283	2.741.506
± claims on customers	10		-2.857.796	-12.318.092
± claims attached	11		-2.446.652	-4.070.111
± other operating assets	12		2.543.510	-1.841.897
± debts relating to credit institutions	13			
± customer debts	14			
± debts attached	15		-227.740	-1.291.841
± other operating liabilities	16		-388.359	-216.527
- cash payments of income tax	17			
Cash flows from operating activities (rd.07 to 17)	18		-2.848.208	-10.616.473
Cash flows from investing activities				

- cash payments for the purchase of subsidiaries or other sub-units	19			
+ cash proceeds from the sale of subsidiaries or other sub-units	20			
+ cash receipts representing dividends received	21			
- cash payments for the purchase of securities that are financial fixed assets	22			
+ cash proceeds from the sale of securities treated as financial fixed assets	23			
+ cash receipts of interest received	24			
- cash payments for the purchase of land and fixed assets, intangible assets and other long-term assets	25		-548.886	-1.493.116
+ cash receipts from sales of land and fixed assets, intangible assets and other long-term assets	26			
- other cash payments related to investment activities	27			
+ other cash receipts from investment activities	28			
Cash flows from investing activities *(rd.19 to 28)*			-548.886	-1.493.116
Cash flows from financing activities				
+ cash receipts from debt securities and subordinated debt			9.098.556	1.002.111
- cash payments related to debt securities and subordinated debt				
+ cash proceeds from the issue of shares or units				
- cash payments for the purchase of shares or equity				
+ cash receipts from the sale of own shares				
- cash dividend payments	29			
- other cash payments related to financing activities			-2.320.064	4.261.841
+ other cash receipts from financing activities			196.000	4.147.800
Cash flows from financing activities				
(rd.30 to 37)			6.974.492	9.411.752
Cash at the beginning of the period			112.825	3.628.414
± Cash flow from operating activities (item 18)			-2.848.208	-10.616.473
± Cash flows from investing activities (item 29)			-548.886	-1.493.116
± Cash flows from financing activities (item 38)			6.974.492	9.411.752

± *Effect of exchange rate change on cash*			-61.809	-48.372
Cash at end of period				
(rd.39 to 43)			3.628.414	882.205

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 2022, submitted to the capital market operator - Bursa de Valori București S.A. - as well as to the Financial Supervisory Authority, presents correctly and completely the information about the issuer of the bonds tradable under the symbol OCIFN26E.

RADU CIORBA

Chairman of the Board of Directors of

OCEAN CREDIT IFN S.A.

OCEAN CREDIT IFN SA

INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Prepared in accordance with the Order of the President of the Board of Directors of the National Bank of Romania no. 6/2015 for the approval of the Accounting Regulations in compliance with the European Directives, applicable to credit institutions, non-banking financial institutions and the Deposit Guarantee Fund in the banking system.

CONTENTS:

COUNTY: MUN. BUCURESTI 40 FORM OF OWNERSHIP: 34
NAME OF THE INSTITUTION: OCEAN CREDIT IFN SA ACTIVITY: CREDIT GRANTING
ADDRESS PLACE: BUCURESTI CAEN group code: 6492
STR.: CALEA FLOREASCA , NR. 112 SECTORUNIQUE REGISTRATION CODE : 34353350 PHONE: 0742148040FAX :
TRADE REGISTER NUMBER: J40/ 4381/2015

BIL ANTUL ACCOUNTANT
concluded on 31 December 2022

ACTIV	Code position	Note	Financial year	
			previous	closed
A	B	C	1	2
House and other values	010	03	8.984	4.281
Claims on credit institutions	030	03	3.619.430	877.924
- the sight	033	03	3.619.430	877.924
- other receivables	036			
Claims on customers	040	03	7.282.495	16.054.862
Bonds and other fixed-income securities	050			
- issued by public bodies	053			
- issued by other issuers, of which:	056			
- own bonds	058			
Shares and other variable-income securities	060			
Holdings, of which:	070			
- holdings in credit institutions	075			
Shares in related companies, of which:	080			
- parties within credit institutions	085			
Intangible assets, of which:	090	5	515.557	1.504.838
- formation expenses	093			
- goodwill, to the extent that it has been acquired against payment	096			
Tangible fixed assets, of which:	100	5	119.939	161.625
- land and buildings used for the purpose of own activities	105			
Subscribed capital not paid in	110			
Other assets	120	2	172.726	1.915.591
Prepaid expenses and accrued income	130	2	655.937	1.375.407
Total assets	**140**		12.375.068	21.894.528

The explanatory notes on pages 11 to 45 form an integral part of these financial statements.

BALANCE SHEET
concluded on 31 December 2022*(continued)*

DEBT AND EQUITY	Code position	Note	Financial year	
			previous	concluded
A	B	C	1	2
Debts relating to credit institutions	300		57.377	5.878.302
- the sight	303			
- within	306		57.377	5.878.302
Customer-related debts	310		36.285	307.841
- the sight	317		36.285	307.841
- within	318			
Debt securities	320		9.098.556	
- bonds	323		9.098.556	
- other titles	326			
Other debts	330	3	667.975	2.764.733
Deferred income and accrued liabilities	340	3	158.761	294.809
Provisions:	350			
- provisions for pensions and similar obligations	353			
- provisions for taxes	355			
- other provisions	356			
Subordinated debt	360			10.100.667
Subscribed share capital	370	6	3.000.000	3.000.000
Capital premium	380			
Book	390	7	78.344	88.164
- legal reserves	392	7	78.344	88.164
- statutory or contractual reservations	394			
- other reserves	399			
Revaluation reserves	400			
Own shares (-)	410			
Reported result				
- Profit	423			
- Losing	426	7	367.281	722.230
Result for the financial year				
- Profit	433			192.022
- Losing	436		354.949	
Profit sharing	440			9.820
Total debt and equity	**450**		12.375.068	21.894.528

BALANCE SHEET
concluded on 31 December 2022 *(continued)*

HE EMENTE OUTSIDE THE BALANCE SHEET UI	Code position	Note	Financial year	
			previous	concluded
A	B	C	1	2
Contingent liabilities, of which:	600			
- acceptances and endorsements	603			
- collateral and pledged assets	606			
Commitments, of which:	610		621.224	1.798.701
- commitments relating to sales transactions redeemable	615			

ADMINISTRATOR
Full name:

Ciorba Radu
Signature
Unit stamp

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Anton Elena

Signature
Unit stamp

ANTON ELENA
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Date: 2023.04.27 10:12:49 +03'00'

PROFIT AND LOSS ACCOUNT
for the financial year ended 31 December 20 22

Indicator name	Code position	Note	Financial year	
			previous	closed
A	B	C	1	2
Interest receivable and similar income, of which:	010	9	4.529.800	6.843.393
- relating to bonds and other fixed-income securities	015			
Interest payable and similar charges	020		550.639	1.355.928
Income on securities	030			
- Income from shares and other variable-income securities	033			
- Income from participating interests	035			
- Income from shares in related companies	037			
Commission income	040	9	3.183.416	8.505.370
Commission expenses	050	9	336.422	651.695
Net profit or loss on financial operations	060	9	-61.809	-48.372
Other operating income	070	9	54.292	148.982
General administrative expenditure	080	9	3.855.976	5.412.747
- Staff expenditure, of which:	083	9	424.380	662.300
- Salaries	084	9	413.865	646.890
- Social security expenditure, of which:	085	9	9.315	15.410
- pension expenditure	086	9		
- Other administrative expenditure	087	9	3.431.596	4.750.447
Adjustments to the value of intangible and tangible fixed assets	090	9	90.811	462.149
Other operating expenditure	100	9	1.916.368	572.620
Adjustments to the value of receivables and provisions for liabilities quotas and commitments	110	8	2.825.043	8.477.252
Reversals of value adjustments on receivables and provisions for contingent liabilities and commitments	120	8	1.514.611	1.679.416
Adjustments to the value of transferable securities of a transferable nature financial fixed assets, participating interests and shares in companies related trade	130			
Reversals of value adjustments on transferable securities that are financial fixed assets, participating interests and shares in related companies	140			
Result of current activity				
- Profit	153			196.398
- Losing	156		354.949	
Extraordinary income	160			
Extraordinary expenses	170			
Result of the extraordinary activity				
- Profit	183			
- Losing	186			

The explanatory notes on pages 11 to 45 form an integral part of these financial

PROFIT AND LOSS ACCOUNT

for the financial year ending 31 December 2022*(continued)*

- RON -

Total income	190		9.282.119	17.177.161
Total expenditure	200		9.637.068	16.980.763
Gross result				
- Profit	213			196.398
- Losing	216		354.949	
Corporate income tax	220			4.376
Other taxes not included in the above items	230			
Net result for the financial year				
- Profit	243			192.022
- Losing	246		354.949	

ADMINISTRATOR
Full name:

Ciorba Radu

Signature

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Anton Elena

Signature

Unit stamp

ANTON ELENA

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Date: 2023.04.27 10:13:18 +03'00'

TREASURY GOLD FLOWS - indirect method
for the financial year ending 31 December 2022

- RON -

Indicator name	No. rd.	Note	Financial year	
			previous	closed
Net result	01		-354.949	192.022
Components of net result not generating cash flows from operating activities				
± the constitution or regularisation of depreciation allowances and provisions	02		541.488	6.995.398
+ depreciation charges	03		90.811	462.149
± other adjustments related to non-cash flow items	04			
± adjustments for items included in investing or financing activities	05			
± other adjustments	06		3.764.762	-1.269.080
Sub-total (rd.01 to 06)	07		4.042.112	6.380.489
Changes in operating assets and liabilities after adjustments for non-cash items related to operating activities				
± securities that are not financial fixed assets	08			
± claims on credit institutions	09		-3.513.283	2.741.506
± claims on customers	10		-2.857.796	-12.318.092
± claims attached	11		-2.446.652	-4.070.111
± other operating assets	12		2.543.510	-1.841.897
± debts relating to credit institutions	13			
± customer debts	14			
± debts attached	15		-227.740	-1.291.841
± other operating liabilities	16		-388.359	-216.527
- cash payments of income tax	17			
Cash flows from operating activities (rd.07 to 17)	18		-2.848.208	-10.616.473
Cash flows from investing activities				
- cash payments for the purchase of subsidiaries or other sub-units	19			
+ cash proceeds from the sale of subsidiaries or other sub-units	20			
+ cash receipts representing dividends received	21			
- cash payments for the purchase of securities that have the character of financial fixed assets	22			
+ cash receipts from the sale of securities of financial fixed assets	23			
+ cash receipts of interest received	24			
- cash payments for the purchase of land and fixed assets, assets intangible and other long-term assets	25		-548.886	-1.493.116
+ cash receipts from sales of land and fixed assets, intangible assets and other long-term assets	26			
- other cash payments related to investment activities	27			
+ other cash receipts from investment activities	28			
Cash flows from investing activities (rd.19 to 28)	29		-548.886	-1.493.116

TREASURY GOLD FLOWS - indirect method
for the financial year ending 31 December 2022(continued)

- RON -

Cash flows from financing activities				
+ cash receipts from debt securities and debt securities subordinate	30		9.098.556	1.002.111
- cash payments related to debt securities and subordinated debt	31			
+ cash proceeds from the issue of shares or units	32			
- cash payments for the purchase of shares or equity	33			
+ cash proceeds from the sale of shares or own shares	34			
- cash dividend payments	35			
- other cash payments related to financing activities	36		-2.320.064	4.261.841
+ other cash receipts from financing activities	37		196.000	4.147.800
Cash flows from financing activities (rd.30 to 37)	38		6.974.492	9.411.752
Cash at the beginning of the period	39		112.825	3.628.414
± Cash flow from operating activities (item 18)	40		-2.848.208	-10.616.473
± Cash flows from investing activities (item 29)	41		-548.886	-1.493.116
± Cash flows from financing activities (item 38)	42		6.974.492	9.411.752
± Effect of exchange rate change on cash	43		-61.809	-48.372
Cash at end of period (rd.39 to 43)	44		3.628.414	882.205

ADMINISTRATOR,
CIORBA RADU

Signature

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Anton Elena
Signature

ANTON ELENA
Digitally signed by ANTON ELENA
Date: 2023.04.27 10:13:44 +03'00'

SITUATION OF OWN CAPITAL AND RESERVES
for the financial year ended 31 December 20 22

Equity element	Note	Sold at 1 January 2022	Cresteri		Discount s		Balance at 31 December 2022
			Total, of which	by transfer	Total, of which	by transfer	
0	1	2	3	4	5	6	7
Subscribed capital		3.000.000					3.000.000
Capital premium							
Legal reserves		78.344	9.820				88.164
Statutory or contractual reserves							
Revaluation reserves							
Own shares (-)							
Other reserves							
Reported result Retained earnings							
Uncovered loss		367.281	354.949				722.230
Retained earnings representing profit unallocated, i.e. uncovered loss Sold creditor							
Debtor balance		367.281	354.949				722.230
Retained earnings resulting from the change accounting policies Creditor balance							
Debtor balance							
Reported result from the correction Accounting errors Balance creditor Debtor balance							
Retained earnings representing the surplus realised from revaluation reserves							
Retained earnings arising from the transition to the application of the Accounting Regulations with European directives Sold creditor							
Debtor balance							
Result for the financial year Sold creditor			192.022				192.022

The explanatory notes on pages 11 to 45 form an integral part of these financial

Debtor balance		354.949			354.949		

The explanatory notes on pages 11 to 45 form an integral part of these financial

ADMINISTRATOR
Full name:

Ciorba Radu
Signature
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Ace Cont Expert SRL
Anton Elena

Signature
Unit stamp

ANTON ELENA
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Date: 2023.04.27 10:14:05 +03'00'

SITUATION OF OWN CAPITAL AND RESERVES
for the financial year ended 31 December 20 21

Equity element	Note	Sold at 1 January 2021	Cresteri		Discounts		Balance at 31 December 2021
			Total, of which	by transfer	Total, of which	by transfer	
0	1	2	3	4	5	6	7
Subscribed capital		3.000.000					3.000.000
Capital premium							
Legal reserves		78.344					78.344
Statutory or contractual reserves							
Revaluation reserves							
Own shares (-)							
Other reserves							
Reported result Retained earnings							0
Uncovered loss		487.769			120.488		367.281
Retained earnings representing profit unallocated, i.e. uncovered loss Sold creditor							
Debtor balance		487.769			120.488		367.281
Retained earnings from changes in accounting policies Creditor balance							
Debtor balance							
Retained earnings from correction of accounting errors Creditor balance Debtor balance							
Retained earnings representing the surplus realised from revaluation reserves							
Retained earnings from the transition to the application of the Accounting Regulations in accordance with the European Directives Sold creditor							
Debtor balance							
Result for the financial year Sold creditor		127.587			127.587		

The explanatory notes on pages 11 to 45 form an integral part of these financial

Debtor balance			354.949				354.949

The explanatory notes on pages 11 to 45 form an integral part of these financial

1. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

INTRODUCTION

OCEAN CREDIT IFN SA (hereinafter referred to as the "Company") was registered on 09.04.2015, as a joint-stock company with private capital, being established in accordance with the provisions of Law no. 31/1990, a s well as Ordinance no. 28/2006 on the regulation of certain financial-fiscal measures.

OCEAN CREDIT IFN SA is registered at the Bucharest Trade Register under number J40/4381/2015, having as main activity object the granting of consumer loans, microcredits, CAEN code 6492, and secondary activity object 6499 - other financial intermediation.

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

On 31 December 2022 the composition of the Board of Directors was as follows:

- Mr. Ciorba Radu , Romanian citizen , President of the Board of Directors
- Mr. Sonic Alexandru , Romanian citizen , member of the Board of Directors
- Ionescu Dan Augustin , Romanian citizen , Member of the Board of Directors

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

The Company's activity consists in granting consumer loans. The Company has no

subsidiaries as of 31 December 2022.

Significant accounting policies and methods

a) Preparation and presentation of financial statements

These financial statements have been prepared in accordance with:

i. Order of the President of the Board of Directors of the National Bank of Romania no. 6/2015 for the approval of the Accounting Regulations in compliance with the European Directives applicable to credit institutions, non-bank financial institutions and the Deposit Guarantee Fund in the banking system, with subsequent amendments and additions ("NBR Order no.27/2011");

ii. Accounting Law no. 82/1991 republished, with subsequent amendments and modifications;

These financial statements have been prepared under the historical cost convention, with the exceptions disclosed below in the accounting policies.

These financial statements have not been prepared to reflect the financial position and results of operations and cash flows of the Company in accordance with accounting regulations and policies accepted in countries and jurisdictions other than Romania. Therefore, the attached financial statements are not prepared for the use of persons who are not familiar with the accounting and legal regulations in Romania, including the National Bank of Romania Order no. 6/2015.

The company has prepared these financial statements on a going concern basis.

These financial statements were approved by the Extraordinary General Meeting of Shareholders on 27.04.2023.

b) Basics of preparing financial statements

The company carries out its accounting records in Romanian lei ("RON") in accordance with the Accounting and Reporting Regulations (RCR) issued by the National Bank of Romania and the Ministry of Public Finance.

The accounting policies have been applied consistently by the Company throughout the financial year.

c) Functional and presentation currency

The functional and presentation currency of the financial statements is the Leu ("RON"). All figures are presented in Romanian Lei, rounded to RON.

d) Use of estimates

The preparation of the financial statements in accordance with NBR Order No. 6/2015 requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses and income for the period. If events after the balance sheet date provide additional information about the estimates made, these have been taken into account.

e) Conversion of amounts expressed in foreign currency

Transactions in foreign currencies are recorded at the exchange rate published by the National Bank of Romania, as of the transaction date. Exchange rate differences resulting from transactions concluded in foreign currencies are included as income or expenses at the date of the transaction, using the exchange rate of the day in question. Monetary assets and liabilities recorded in foreign currencies are expressed in lei at the exchange rate prevailing on the date of the balance sheet except for foreign currency assets recorded as financial fixed assets which are converted into lei at the exchange rate prevailing on the date of their acquisition. Forward exchange transactions recorded in foreign currencies are converted at the forward rate remaining at the date of the balance sheet. The gain or loss arising from the translation of monetary assets and liabilities recorded in foreign currencies is reflected in the profit and loss account of the current year. The official exchange rates of the main foreign currencies at the end of the reporting period were:

Currency	31December 2021	31 December 2022	Variation
Euro (EUR)	1: RON 4,9481	1: RON 4.9464	1.00%

f) Interest income and expenses

Interest income and expenses are recognised in the income statement on an accrual basis. Interest income and expense includes the amortised amount of any discount, premium or other difference between the original amount of the financial instrument and its maturity value as well as the amortised portion of financial service fees that are an integral part of the effective interest rate of a financial instrument. Interest income also includes penalty interest recognised by the Company in accordance with contractual provisions.

Fees that are an integral part of the effective interest rate of a financial instrument represent compensation for services such as: assessing the borrower's financial situation, negotiating the terms of the financial instrument, drafting and processing documents and closing the transaction. These fees, together with the related transaction costs, are deferred and recognised as interest income using the straight-line method. The unearned portion of these fees is reflected as deferred income/expense.

Interest income and expenses are recognised in the profit and loss account using the straight-line method.

The straight-line method is a method of calculating the amortised cost of loans granted to customers, whereby upfront fees, which should be an integral part of the effective interest rate, are amortised on a straight-line basis and recognised as interest income over the relevant period.

The related transaction costs are costs directly attributable to the financing activity that would not have arisen if the Company had not provided that financing. Transaction costs include fees and commissions paid to third parties and do not include financing costs or internal administrative costs. This accounting policy applies accordingly to the recording of interest expenses on financial instruments received.

g) Income and expenses from fees and commissions

Fee and commission income includes income related to services provided to third parties, and fee and commission expense includes expenses related to services provided by third parties, in particular: fees for the payment of commercial transactions and other related expenses or income. The recognition of fee and commission income or expense depends on its economic nature. Thus, according to their economic nature, the Company operates with the following categories of commissions:

i) Fees that are an integral part of the effective interest rate of a financial instrument, the accounting treatment of which is described above

ii) Commissions earned as services are rendered, recognised in the profit and loss account as services are rendered or during the commitment period. Such commissions include, among others: commissions for the payment of commercial transactions, commissions paid to banks for the management of current bank accounts.

h) Financial instruments

i) Classifications

Trading securities include financial instruments held for trading and financial instruments designated by the Company at fair value at initial recognition.

Financial instruments held for trading are those purchased or produced primarily for the purpose of generating short-term profit, are securities purchased primarily for the purpose of selling in the near term, and those that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual rate of short-term profit.

Financial instruments at fair value through profit and loss represent financial instruments designated by the Company at fair value at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Company intends to sell immediately or in the near term, those that the Company, after recognition in the balance sheet, designated as financial assets held for trading, those which the Company, after initial recognition, designates as held for sale or those in respect of which the holder may not recover substantially all of the initial investment for any reason other than credit impairment. Loans and receivables include loans and advances to customers.

Investment securities are those financial assets with fixed or determinable payments and fixed maturity that the Company has the firm intention and ability to hold to maturity.

The classification of securities as investment securities depends on:

a) the terms and characteristics of the financial asset; and

b) the institution's ability and effective intention to hold these instruments to maturity.

The decision on classification as an investment security will not take into account future opportunities to make a profit on the basis of that portfolio, and therefore will not take into account purchase prices offered by other investors until the maturity of the investment, as it is intended to hold the investment to maturity, regardless of fluctuations in market value, and is not intended to be sold.

A precondition for classification as investment securities is the assessment of the institution's intention and ability to hold these instruments to maturity; this assessment must be made not only at the time of initial purchase but also at the time of each accounting close.

If, following a change in the institution's intention or ability to hold to maturity instruments in the investment securities category, it is no longer appropriate to classify them as investment securities, they will be reclassified to the investment securities category and will be valued according to that category.

If the institution has sold or reclassified significant amounts of investment securities during the current or two previous financial years, it will not be able to classify any financial asset as an investment security ("contamination rule"). This prohibition does not apply in the event of such sale or reclassification:

- is so close to the maturity of the financial asset (e.g. less than three months before maturity) that changes in the market interest rate could not have a significant effect on the fair value of the financial asset;

- occurs after the principal amount of the financial asset has been substantially recovered, through deferred payments or early repayments; or

- is attributed to an isolated event, is not repetitive and could not reasonably have been anticipated.

In the event that such sale or reclassification does not fall within one of the above cases, all investment securities will be reclassified as investment securities.

Investment securities are those financial assets that are not loans or receivables produced by the Company, trading securities or investment securities. Marketable securities include shares in related companies, equity securities and portfolio securities that are not held for trading or investment purposes.

Variable-income securities held in subsidiaries over which there is control, materialized in the authority to govern the financial and operating policies of the company concerned, with the aim of obtaining benefits from its activity, are recorded in the accounts in the account "Shares in related companies".

ii) Transfers between categories

Transfers from the trading securities category to other categories (investment securities and investment securities) are permitted only if the securities are no longer held for the purpose of sale in the foreseeable future, even if

if they were purchased primarily for this purpose. Such transfers can only take place in rare situations, i.e. in situations determined by singular, unusual events that have a very low probability of recurring in the near future. In the case of a transfer from the trading securities category to other categories, the market value of those securities at the date of the transfer becomes their new cost/purchase price. Gains or losses relating to these securities already recorded in the profit and loss account will not be reversed for the purpose of decreasing or increasing the value of the securities, such gains or losses remaining recorded in the corresponding income or expense accounts.

Transfers from other categories into the trading securities category are not allowed. Transfers from the investment securities category to the trading securities category may occur in the following situations:

- there is a change in the institution's intention or ability to hold those assets;

In the case of a transfer from the investment securities category to the investment securities category, the net book value of those securities at the date of transfer becomes their new cost/purchase price.

iii) Derivatives

Derivatives are financial instruments that cumulatively meet the following conditions:

- their value changes as a result of changes in a particular interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or credit index or other variable, provided that, in the case of a non-financial variable, it is not specific to a contractual party;
- require no net initial investment or require a net initial investment that is less than that required for other types of contracts that are expected to react similarly to changes in market conditions;
- are settled at a future date.

Derivative financial instruments are classified as financial assets or financial liabilities held for trading and are initially recognised at fair value. After initial recognition, they are measured at fair value without any deduction for costs to sell.

The best evidence of the market value of a derivative financial instrument at initial recognition is the transaction price (e.g. the amount paid or received), unless the market value of that instrument is evidenced by comparison with other similar transactions in the market with the same

type of instrument or based on a valuation technique whose variables include only information from reference markets. Derivatives are valued periodically, necessarily at the end of each month.

Gains or losses arising from the revaluation of derivatives that are not hedging instruments are recorded in the income and expense accounts for derivative transactions, appropriate to the type of derivative.

Derivatives are classified into non-hedging instruments and hedging instruments. They are recorded in off-balance-sheet accounts, using the accounts "Forward exchange transactions", through the accounts "Exchange position" and "Countervalue of exchange position" opened off-balance-sheet.

Differences from the valuation of firm forward exchange transactions at the forward rate remaining to be paid are recorded in the off-balance sheet accounts "Currency adjustment accounts" and "Exchange position countervalue". At the same time, the same exchange rate difference is recorded in the balance sheet in the income or expense accounts relating to exchange rate derivative transactions, or in the adjustment accounts relating to hedging instruments (in accordance with the rules on hedge accounting), as appropriate, against the "Forward exchange transactions" account in the balance sheet.

iv) Recognition

The Company recognises financial assets and liabilities at the date they were transferred to the Company.

v) Evaluation

Financial instruments are initially measured at cost. Subsequent to initial recognition, trading securities are measured at fair value.

Marketable securities are valued at the balance sheet date at the lower of market value and acquisition cost.

All non-marketable financial liabilities, loans granted and receivables and investment securities are recognised at amortised cost less value adjustments.

All gains and losses arising from changes in the market value of trading securities and losses from decreases in the fair value of their investment securities are recognised in the income statement.

vi) Principles of fair value measurement

Fair value means the amount for which the financial instrument could be exchanged willingly between knowledgeable parties in an objectively priced transaction. Fair value is determined by reference to:

- market value, for those financial instruments for which an active market (where quoted prices are readily available and relate to arm's length transactions) can be readily identified. If market value cannot be readily identified for an instrument, but can be identified for its components or for a
- similar instrument, the market value may be calculated from that of its components or the similar instrument; or
- value determined using generally accepted valuation models and techniques for instruments for which an active market cannot be easily identified. Such models and techniques must provide a reasonable approximation of market value and should be tested periodically (and revised if necessary) by comparing the values provided with actual observable transaction prices or any available market information.

vii) Derecognition

Financial assets are derecognised when the Company loses control of the contractual rights relating to that asset. The Company loses this control if it realises the rights to the benefits specified in the contract, the rights expire, or the Company relinquishes these rights.

Financial assets that are sold are derecognised from the settlement date. Financial liabilities are derecognised when the obligation specified in the contract has been discharged, cancelled or expired.

The gain or loss realised on derecognition of financial assets is determined using the specific identification method.

The Company derecognises a financial asset when the rights to receive cash flows from that financial asset expire or when it transfers the contractual rights to receive cash flows from that financial asset in a transaction in which substantially all the risks and rewards of ownership have been transferred.

viii) Specific tools

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash-like items include balances that have an original maturity of less than 90 days comprising: cash, current account balances with other banks, and deposits with banks.

Claims on credit institutions

Claims on credit institutions are classified as loans and receivables. Amounts owed by credit institutions, which include current accounts and deposits with banks, are stated at nominal value less impairment adjustments (see note 2) in the event of possible impairment losses on these amounts.

Loans and advances to customers and adjustments for impairment of loans and advances

Receivables from customers are classified as loans and receivables and include loans granted to customers and are recognised when the money reaches the debtor. Receivables from customers are shown in the balance sheet at the existing balance, less adjustments for impairment.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent expenditure increases the cost of intangible fixed assets when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally expected performance and can be measured reliably. Other subsequent expenditure incurred on an intangible asset after its purchase or completion is usually recorded in the expense accounts when incurred.

The costs related to the acquisition of computer software are capitalised by the Company and depreciated on a straight-line basis over a maximum of 3 years.

Formation expenses include expenses for taxes, registration fees and other expenses incurred during the period of incorporation. The Company amortises these expenses on a straight-line basis over a period of 3 years.

j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses

Depreciation is calculated using the straight-line method over the estimated useful life of each item of property, plant and equipment. Land is not depreciated. The Company uses the following estimated useful lives by type of property, plant and equipment:

Tip	Amortization period (years)
Building improvements	2
Computers and printers	3
Equipment	3 - 4
Transport vehicles	4

The useful life and depreciation method will be reviewed periodically to ensure that they are consistent with the expected economic benefits of the assets.

The acquisition cost comprises the purchase price, non-recoverable taxes, transport costs and other ancillary expenses necessary to bring the asset into working order or to take it into management.

Maintenance and repairs to fixed assets are expensed as they occur and improvements made are capitalised. Improvements are capitalised if they extend the life of the asset or if they significantly increase the asset's capacity to generate economic benefits.

Gains and losses on the retirement of fixed assets are determined by reference to their net book value and are taken into account in determining profit from operations. Items of property, plant and equipment which are scrapped or disposed of are removed from the balance sheet together with the corresponding accumulated depreciation. The profit or loss resulting from such an operation is determined as the difference between the amount received and the net book value and is included in the operating profit for the period.

Assets under construction are not subject to depreciation until they are put into use. Expenditure on the maintenance of fixed assets under construction and related repairs is charged to the profit and loss account and improvements to buildings are capitalised and depreciated when they are brought into use.

k) Adjustments for impairment of assets

Assets are analysed at the date of preparation of each balance sheet to determine whether there is any objective indication that an asset may be impaired in accordance with NBR Order no. 6/2015. If any such indication exists, the Company must estimate the recoverable amount of the asset.

An impairment adjustment is recorded when the carrying amount of the asset exceeds its recoverable amount. The impairment adjustment is recognised in the income statement.

The impairment adjustment may be reversed if there has been a change in the conditions existing at the time the recoverable amount was determined. The reversal of an impairment adjustment can only be made so long as the asset's net book value does not exceed its historical net book value, taking into account depreciation and without taking the adjustment into account.

Claims on customers and credit institutions

For the classification, constitution and use of impairment value adjustments related to loans granted in the framework of lending operations, the Company complies with the provisions of the Regulation of the National Bank of Romania no. 5/2012 on the classification of loans and investments, as well as the constitution, regularization and use of specific credit risk provisions, as amended by the NBR Order no. 4/2012.

According to these normative acts, the loans granted by the Company to legal entities, whether or not exposed to currency risk, are classified in the following categories:

Classification categories	***Coefficient of adjustment for loans (other than those denominated in a foreign currency or indexed to a foreign***	***The adjustment coefficient for loans denominated in a foreign currency or indexed to a foreign exchange rate***
Standard	0	0.07
Under	0.05	
observation	0.2	0.08
Substandard	0.5	0.23
Indoielnic	1	0.53
		1

This classification is made by applying the following two criteria simultaneously:

- debt service;
- initiation of legal proceedings.

The allowance for impairment in the value of financing granted to customers is calculated by applying the percentages mentioned above to the loan balance and the related receivable after deducting the fair value of the collateral obtained by the Company from the borrowers.

Guarantees relating to exposures representing the principal of loans classified as "loss", where debt service is more than 90 days and/or where legal proceedings have been initiated against the borrower, are adjusted by applying coefficients established by the lender for each category/case. The value of these coefficients may not be higher than 0.25. Guarantees relating to exposures representing current/current interest, attached to the above-mentioned loans, are not taken into account, the coefficient to be applied to the amounts relating to these guarantees having a value of zero.

The allowance for impairment of receivables is deducted from the corresponding asset category in the balance sheet.

The restructuring of the financing granted to clients is done in compliance with the provisions of the Regulation of the National Bank of Romania no. 20 of 13 October 2009, with subsequent amendments and additions, as follows: the restructuring of the financing granted to customers shall not lead to their classification in a more favourable classification category from the point of view of credit risk, by exception, however, the first restructuring operation of the financing granted to customers may lead to their classification in a more favourable classification category from the point of view of credit risk, but not with more than two classification categories in the case of loans in the "loss" category at the time of restructuring, respectively one classification category in other cases.

Pursuant to Regulation no. 5/2012 of the National Bank of Romania and NBR Order no. 6/2015, the Company shall derecognize loans in the following situations:

- all legal possibilities to recover the debt have been exhausted;
- the limitation period has expired;
- contractual rights have been transferred to a third party.
- The Company establishes, accrues and uses specific credit risk adjustments using the credit currency.

Tangible and intangible fixed assets

Adjustments for impairment of property, plant and equipment and/or intangible assets are made based on the Company's intention to retain the asset for use or non-use in its operating activity or based on the market price. If the Company intends to use the asset in its operating activity, the adjustment for impairment is calculated by comparing the recoverable amount through use with the net book value. If the Company does not intend to use the asset in operating activities, the adjustment for impairment is calculated by comparing the net realisable value through sale with the net book value.

If the reasons that led to the establishment of impairment adjustments have ceased to exist to a certain extent, then that adjustment will be reinstated accordingly in income. If the depreciation is greater than the adjustment made, an additional depreciation adjustment shall be made.

l) Pensions and other post-retirement benefits

The company, in the normal course of business, makes payments to Romanian state pension funds for its employees in Romania, for pensions, health insurance and unemployment. All employees of the Company are included in the state pension system. The Company does not run any other independent pension plan and therefore has no other pension-related obligations. The Company does not operate any other pension plan.

benefits or other post-retirement benefit plan. The Company has no other obligations related to additional services for former and current employees.

m) Corporate tax

Income tax for the year includes current tax.

The company records the income tax determined in accordance with the accounting and reporting regulations issued by the National Bank of Romania and the Ministry of Public Finance.

Current tax is the tax payable on the profit for the period, determined on the basis of the percentages applied at the balance sheet date and all prior period adjustments.

The corporate income tax rate used for the calculation of current taxes on 31 December 20 22 and 31 December 2021 is 16%, applicable to profits made in Romania.

n) Provisions

Provisions are intended to cover liabilities whose nature is clearly defined and which at the balance sheet date are likely to exist, or are certain to exist, but which are uncertain as to amount or timing.

Provisions are recognized only when:

- The company has a present obligation generated by a previous event;
- It is likely that an outflow of resources will be required to honour that obligation; and
- A reliable estimate of the value of the bond can be made.

No provision is recognised for future operating losses. Gains arising from the expected disposal of assets are not taken into account in the measurement of a provision and if it is estimated that some or all of the expenditure relating to a provision will be reimbursed by a third party, reimbursement is recognised only when it is certain to be received. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate. If an outflow of resources is no longer probable for the settlement of an obligation, the provision is reversed to income. The provision shall be used only for the purpose for which it was originally recognised.

o) Dividends

Dividends are recognised as payable only after they have been approved by the General Meeting of Shareholders.

p) Contingent assets and liabilities

Contingent assets

A contingent asset is a potential asset that arises as a result of events occurring prior to the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the institution.

Contingent assets are not recognised in the financial statements because they are not certain and their recognition could result in the recognition of income that is never realised. If the realisation of revenue is certain, the related asset is not a contingent asset and should be recognised in the balance sheet. Contingent assets are assessed on an ongoing basis to ensure that changes are appropriately reflected in the financial statements. If the inflow of economic benefits becomes certain, the asset and the related income are recognised in the financial statements for the period in which the changes occur.

Contingent liabilities

A contingent liability is:

a) a contingent obligation, arising from past events, prior to the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

b) a current obligation that arose as a result of past events prior to the balance sheet date but is not recognized because:

- it is not certain that resources incorporating economic benefits will be required to extinguish this debt; or
- the amount of the debt cannot be assessed credibly enough.

Contingent liabilities are not recognised in the balance sheet and are presented as off-balance sheet items. Contingent liabilities are continually assessed to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of resources embodying economic benefits will be required for an item previously considered to be a contingent liability, a provision is recognised in the financial statements for the period in which the change occurs, unless no reliable estimate can be made and, as a result, a liability exists that cannot be recognised but is disclosed as a contingent liability.

q) Parties in a special relationship

Parties in a special relationship with the Company include:

- companies that directly, or indirectly through one or more intermediaries, control the institution, are controlled by it or, together with the credit institution, are under common control;
- companies in which the credit institution has a significant influence and which are neither subsidiaries nor joint ventures;
- those natural persons who, directly or indirectly, hold a share of the voting rights of the institution, which gives them significant influence over it, as well as close family members of any such persons;
- those persons in the management of the Company who have the authority and responsibility to plan, direct and control the activities in the Institution, directly or indirectly, including any director (executive or otherwise) of the Institution. In determining the persons included in this category, priority shall be given to their role and responsibilities within the institution and not necessarily to the title of the position held by them;
- other companies in which a person described above holds, directly or indirectly, a substantial proportion of the voting rights or companies over which such a person may exercise significant influence.

r) Book

According to the Romanian legislation on banking institutions and operations, the Company must allocate profits to reserves or dividends on the basis of financial statements prepared in accordance with the Accounting and Reporting Regulations issued by the National Bank of Romania and the Ministry of Public Finance. Amounts transferred to reserve accounts must be used for the purposes defined at the time of transfer.

In accordance with Romanian law, the company constitutes a legal reserve according to the legislation of commercial companies, i.e. 5% of the gross profit until it reaches at least 20% of the share capital. From the gross profit for the year 20 21, the legal reserve is constituted, and the difference is used to constitute other reserves or to pay dividends to shareholders.

In accordance with Order 6/2015, other reserves shall be constituted in accordance with the legal provisions or the resolution of the General Meeting of Shareholders, in compliance with the legal provisions.

s) Correction of accounting errors

Errors are corrected at the time they are detected. The correction of errors relating to previous periods, as recognised in the accounts, shall be charged to retained earnings and shall not be considered a breach of the principle of intangibility.

Prior period errors are omissions and misstatements contained in the institution's financial statements for one or more prior periods resulting from a mistake in using, or not using, reliable information that:

a) were available at the time the financial statements for those periods were approved for issue; or

b) could reasonably have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical errors, mistakes in applying accounting policies, ignoring or misinterpreting events and fraud.

In the case of correction of errors that give rise to an accounting loss carried forward, this must be covered before any profit distribution is made.

In order to ensure comparability, the information presented in the current year's financial statements relating to prior periods is adjusted to reflect the correction of errors. The correction of prior period errors does not result in a change in the financial statements.
financial years, they remain as published.

Errors relating to the current financial year are corrected by reversing (red-booking/red-signing or reverse-booking, depending on the accounting policy and software used) the incorrectly recorded transaction and, at the same time, recording the transaction concerned.

t) Restored goods

Foreclosed assets are the assets owned by the Company, which the Company has acquired through auctions, with the consent of the debtor, for the recovery of debts from individual customers. The auctioned goods were recorded in the accounts on the date of the auction, on the basis of the Auction Minutes, drawn up by the executor and signed by the debtor, at the auction value in the Auction Minutes. The auction value was established on the basis of the valuation report, drawn up by expert valuers, members of ANEVA R.

Gains and losses resulting from the disposal of recovered goods are determined as the difference between the selling price and the book value at the date of the sale or at the last revaluation.

2. INFORMATION ON CERTAIN BALANCE SHEET ITEMS

2.1 AL TE ACTIVE

The amounts shown under the item - Other assets , mainly represent the following:

- sundry debtors amounting to 1,868,929 lei, of which Volt Finance SA owes 1,717,607 lei and Oc Global Limited owes 71,917 lei. The amounts are detailed in note 11: *Transactions with related parties in a special relationship with the Company.*
- the company has to recover from the Health Insurance House of the Municipality of Bucharest, medical leave in the amount of 11,714 lei, as well as the amount of 34,948 lei from the State Budget representing income tax.

Other assets	***31.dec.21*** (lei)	***31.dec.22*** (lei)
Sundry debtors	127.743	1.868.929
Income tax to be recovered	35.057	0
Other assets	9.926	46.662
Total other assets, gross	**172.726**	**1.915.591**
Provisions for sundry debtors	0	0
Total other assets, net	**172.726**	**1.915.591**

2.2 INCOME AND EXPENSES RECORDED IN ADVANCE

Prepayments and accrued income and expenses are mostly due to interest on outstanding loans that have not yet matured, interest on loans that have not been paid when due and penalty interest on loans that have not been collected when due.

Prepaid income	***31.dec.22*** (lei)	***31.dec.22*** (lei)
Debts attached total, of which:	**153.969**	**291.392**
- debts attached bonds	152.792	152.767
- deposits attracted from credit institutions	0	61.046
- deposits attracted from shareholders/affiliated parties	1.177	77.579
Expenses to pay	0	1.125
Advance receipts from structural funds	4.792	4.792
Total	**158.761**	**294.809**

	31.dec.21	31.dec.22
Expenditure recorded in advance	**(lei)**	**(lei)**
Claims related to loans granted to clients	94.341	164.742
Outstanding and doubtful interest on loans granted clients	2.446.652	4.070.111
Income to receive	130.600	1.659.789
Expenditure recorded in advance	279.461	262.694
Total prepaid expenses and accrued income, gross	**2.951.054**	**6.157.336**
Specific provisions for attached claims	2.293.173	3.801.328
Specific provisions for commissions	1.944	980.601
Total prepaid expenses and accrued income, net	**655.937**	**1.375.407**

3. HOUSE AND OTHER SECURITIES/CLAIMS ON CREDIT INSTITUTIONS

3.1 The company has its own cashier's office; it does not hold cash at the National Bank of Romania.

	31.dec.21	31.dec.22
	(lei)	**(lei)**
Cash in the cashier	8.984	4.281
Current accounts and sight deposits with institutions credit	3.619.430	877.924
Cash and cash equivalents at end of period	**3.628.414**	**882.205**

3.2 CLAIMS ON CUSTOMERS

Claims on customers arise from consumer credit agreements - microcredits granted to individuals

	31.dec.21	31.dec.22
	(lei)	(lei)
Current loans granted to non-bank customers	6.591.727	14.696.356
Outstanding and uncollected loans	3.855.236	8.068.698
Claims on customers. gross	**10.446.963**	**22.765.054**
Specific risk provisions	**-3.164.468**	**-6.710.192**
Total	**7.282.495**	**16.054.862**

3.3 DEBTS RELATING TO CREDIT INSTITUTIONS

In 2022, the Company signed three bank loan contracts with TBI Bank for a credit line to finance its current activities, one in the amount of RON 2,000,000 and two contracts of EUR 400,000 each. The loans were granted for a period of 12 months calculated from the date of implementation of the Contract. The annual interest rate is composed of the Reference Rate plus the bank's margin.

The company has a financial leasing contract with Impuls-Leasing IFN SA, for a car and a duration of 36 months.The entry value of the asset without VAT is 25.194 Euro.The capital balance on 31.12.2022 is 4.896 Euro.

In March 2022, a new leasing contract was signed with Impuls -Leasing IFN SA for a car and a duration of 36 months. The entry value of the asset without VAT is 14,370 Euro.The capital balance as of 31.12.2022 is 9,014 Euro.

The debt situation of credit institutions as at 31.12.202 2 is as follows:

	31.dec.21	31.dec.22
	(lei)	(lei)
Debts relating to credit institutions	0	5.809.498
Debts relating to credit institutions-financial leasing	57.377	68.804
Total	**57.377**	**5.878.302**

3.4 AL YOU OWE

The amounts presented under the item - Other liabilities, mainly represent amounts due to suppliers amounting to 390,494 lei. The amount of 2,306,74 lei represents short-term loans received from OG Global Limited shown in note 11.

Other liabilities	***31.dec.21***	***31.dec.22***
	(lei)	**(lei)**
Loans from shareholders/affiliated parties	0	2.306.740
Suppliers	522.133	390.494
Wages and taxes due	60.234	53.687
Amounts to be clarified	14.687	0
Other taxes due VAT	70.921	13.852
Total other liabilities	**667.975**	**2.764.773**

In 2022 the Company signed three loan agreements with OC Global Limited for a total amount of 2,667,000 lei. During 2022 , the Company repaid in full one contract for an amount of 855,000 lei , the balance of loans in lei on 31.12.2022 being 1,812,000 lei.

Also , in 2022 the Company signed three loan agreements with OC Global Limited for a total amount of €300,000, two of which were repaid in full during the year. The balance on the loan as at 31.12.2022 is 100,000 euro.

As at 31 December 2022 the situation of other loans is as follows:

Loans received from related parties	**Currency**	**Amount stipulated in the contract**	**Sold in equivalent RON**	**Scadenda final**
OC GLOBAL LIMITED	RON	912.000	912.000	28.02.2023
OC GLOBAL LIMITED	RON	900.000	900.000	28.11.2023
OC GLOBAL LIMITED	EUR	100.000	494.740	07.12.2023
Total			**2.306.7 4 0**	

4. INFORMATION ON THE SECURITIES PORTFOLIO

4.1 In July 2021, the Company issued a number of 18,668 registered, dematerialised, unsecured, subordinated, non-subordinated bonds, not convertible into shares, denominated in euro, with a nominal value of 100 euro/bond, maturing 5 years after the Issue Date and with the possibility of early redemption from the third year with a fixed interest rate of 8.75% per annum, payable quarterly, for a total nominal amount of EUR 1,866,800.

Type of securities : Registered, dematerialised, unsecured, subordinated, non-convertible bonds denominated in euro

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

Nominal value: €100/bond **Offer price**:

€98.5/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 dividing the actual number of days that have elapsed in a Coupon Period by 365 days representing one year.

Expiry Date: 5 years from the Issue Date.

In November 2021 the Bonds were listed on the Bucharest Stock Exchange.

4.2 Society no owns shares propri i la date de 31 decembrie 2022.

5 FIXED ASSETS

Statement of fixed assets as at 31 December 2022

		Gross value					Impairments (depreciation and provisions)			
	Code position	Sold to 01.ian 2022	Growth	Transfers	Discounts total	Sold to 31.dec 2022	Sold to 01.ian 2022	Depreciation recorded in course exercise	Discounts or replays	Sold to 31.dec 2022
	1	2	3		4	5	6	7	8	9
INTANGIBLE ASSETS										
Other intangible assets	**90**	722.632	1.310.703	0	0	2.033.335	207.075	396.894	0	603.969
Advances and fixed assets intangible assets in progress		0	252.093	0	176.621	75.472	0	0	0	0
TOTAL FIXED ASSETS NECORPORAL		**722.632**	**1.562.796**	**0**	**176.621**	**2.108.807**	**207.075**	**396.894**	**0**	**603.969**
TANGIBLE FIXED ASSETS	**100**									
Landscaping Construction		64.914	0	0	64.914	0	64.914	0	64.914	0
Technological equipment (machinery, equipment and installations working)		24.200	0	0	0	24.200	19.355	1.397	0	20.752
Machinery and installations for measurement, control and regulation		145.015	0	0	0	145.015	148.095	15.865	0	163.960
Means of transport		141.367	71.116	0	0	212.483	47.865	43.934	0	91.799

INTANGIBLE AND TANGIBLE FIXED ASSETS (CONT'D)

5. INTANGIBLE AND TANGIBLE FIXED ASSETS (CONTINUED 2022)

		Gross value					Impairments (depreciation and provisions)			
	Code position	Sold to 01.ian 2022	Growth		Discounts total of which	Sold to 31.dec 2022	Sold to 01.ian 2022	registered in course exercise	Discounts or replays	Sold to 31.dec 2022
	1	2	3		4	5	6	7	8	9
Furniture, office equipment, protective equipment of human and material values and other tangible assets		55.670	35.825	0	0	91.495	30.998	4.059		35.057
Advances and tangible fixed assets ongoing		0	0	0	0	0	0	0	0	0
TOTAL FIXED ASSETS CORPORAL		**431.166**	**106.941**	**0**	**64.914**	**473.193**	**311.227**	**65.255**	**64.914**	**311.568**
FIXED ASSETS - TOTAL	**x**	**1.153.798**	**1.669.737**	**0**	**241.535**	**2.582.000**	**518.302**	**462.149**	**64.914**	**915.537**

Statement of non-current assets as at 31 December 2021

		Gross value					Impairments (depreciation and provisions)			
	Code position	Sold to 01.ian 2021	Growth	Transfers	Discounts total	Sold to 31.dec 2021	Sold to 01.ian 2021	Depreciation recorded in course exercise	Discounts or replays	Sold to 31.dec 2021
	1	2	3		4	5	6	7	8	9
INTANGIBLE ASSETS										
Other intangible assets	**90**	187.255	535.377	0	0	722.632	167.888	39.187	0	207.075
Advances and fixed assets intangible assets in progress		4.707	729	0	5.436	0	0	0	0	0
TOTAL FIXED ASSETS NECORPORAL		**191.262**	**536.106**	**0**	**5.436**	**722.632**	**167.888**	**39.187**	**0**	**207.075**
TANGIBLE FIXED ASSETS	**100**									
Landscaping Construction		64.914	0	0	0	64.914	64.914	0	0	64.914
Technological equipment (machinery, equipment and installations working)		24.200	0	0	0	24.200	19.355	0	0	19.355
Machinery and installations for measurement, control and regulation		126.800	18.215	0	0	145.015	117.718	30.377	0	148.095
Means of transport		141.367	0	0	0	141.367	26.619	21.246	0	47.865

INTANGIBLE AND TANGIBLE FIXED ASSETS (CONT'D)

5. INTANGIBLE AND TANGIBLE FIXED ASSETS (CONTINUED 2021)

		Gross value					Impairments (depreciation and provisions)			
	Code position	Sold to 01.ian 2021	Growth		Discounts total of which	Sold to 31.dec 2021	Sold to 01.ian 2021	registered in course exercise	Discounts or replays	Sold to 31.dec 2021
	1	2	3		4	5	6	7	8	9
Furniture, office equipment, protective equipment of human and material values and other tangible assets		55.670	0	0	0	55.670	30.998	0		30.998
Advances and tangible fixed assets ongoing		0	0	0	0	0	0	0	0	0
TOTAL FIXED ASSETS CORPORAL		**412.951**	**18.215**	**0**	**0**	**431.166**	**259.604**	**51.623**	**0**	**311.227**
FIXED ASSETS - TOTAL	**x**	**604.913**	**554.321**	**0**	**5.436**	**1.153.798**	**427.492**	**90.810**	**0**	**518.302**

6. CAPITAL

The legal reserve in the amount of 88.164 lei is constituted by allocating a maximum of 5% of the gross profit before taxation until the reserve is equal to 20% of the subscribed and paid up share capital.

	31.dec.21	***31.dec.22***
	(lei)	**(lei)**
Legal reserves	78.344	88.164
Retained earnings - Profit/(loss)	-367.281	-722.230
Result for the financial year - Profit	-354.949	192.022
Profit sharing	0	-9.820
Other reserves	0	0
Total	**-643.886**	**-451.864**

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

In June 2022 the shareholding of the Company has changed and is shown in the table below:

	31 December 2022		
	Number of shares	***Percent age held***	***Nominal value of the actin held***
Ocean Credit Holding Designated Activity Company	2.990.000	99.67%	2.990.000
Radu Soup	10.000	0.33%	10.000
Total	**3.000.000**	**100%**	**3.000.000**

	31 December 2021		
	Number of shares	***Percent age held***	***Nominal value of the actin held***
OC Global Limited	2.990.000	99.67%	2.990.000
Ionescu Dan Augustin	10.000	0.33%	10.000
Total	**3.000.000**	**100%**	**3.000.000**

7. PROFIT SHARING

As of 31 December 2022, the Company recorded an accounting profit of 192,022 lei.

According to Law no. 31/1990, with subsequent amendments and additions, companies that record profits are obliged to set up legal reserves, by distributing a 5% share of the gross profit, until the level of at least 20% of the subscribed and paid-up share capital is reached. The legal reserve as at 31 December 2022 amounts to 88,164 lei.

The accounting profit of the year 20 22, amounting to 192.022 lei will be proposed for approval to the General Meeting of Shareholders for distribution.

Profit sharing	**31.dec.21**	**31.dec.22**
	(lei)	**(lei)**
Net Profit/Loss	-354.949	192.022
Legal Reserve	0	9.820
Retained earnings	0	182.202

8. PROVIZIOANE

Specific loan provisions	**31.dec.21**	**31.dec.22**
	(lei)	**(lei)**
Balance at the beginning of the period	**2.462.467**	**3.164.468**
Expenditure on provisions	1.192.301	4.262.436
Income from provisions	-490.300	-716.711
Balance at end of period	**3.164.468**	**6.710.192**

9. INFORMATION ON CERTAIN ITEMS IN THE PROFIT AND LOSS ACCOUNT

9.1 Interest receivable and similar income

	31.dec.21	31.dec.22
	(lei)	(lei)
Interest on current accounts	31	25
Loans granted to non-bank customers	4.529.768	6.843.368
Total interest income	**4.529.799**	**6.843.393**

9.2 Interest payable and similar charges

	31.dec.21	31.dec.22
	(lei)	(lei)
Loans from banks and financial institutions	194.361	449.408
Borrowings from bond issues	356.278	831.600
Subordinated debt borrowings		74.920
Total interest expenses	**550.639**	**1.355.928**

9.3 Commission income

	31.dec.21	31.dec.22
	(lei)	(lei)
Operations with clients	3.183.416	8.505.370
Total commission income	**3.183.416**	**8.505.370**

9.4 Commission expenses

	31.dec.21	31.dec.22
	(lei)	(lei)
Operations with credit institutions	216.935	31.316
Operations with clients	94.081	559.406
Commission for issuing bonds	25.406	60.973
Total commission expenses	**336.422**	**651.695**

9.5 Net profit or loss on financial operations

	31.dec.21	31.dec.22
	(lei)	(lei)
Profit/(loss) on revaluation of assets and foreign currency liabilities	-61.809	-48.372
Net profit from financial operations	**-61.809**	**-48.372**

9.6. Other operating income

	31.dec.21	31.dec.22
	(lei)	(lei)
Miscellaneous operating revenue from Structural Funds	2.500	2.500
Other operating income	51.792	146.482
Total other operating income	**54.292**	**148.982**

9.7 Administrative expenditure

	31.dec.21	31.dec.22
	(lei)	(lei)
Telecommunications, data processing and courier services	100.799	128.709
Publicity and protocol	710.916	659.579
Travel	97.405	187.127
Materials and inventory items	34.203	41.954
Utilities, maintenance and repairs (buildings, cars, systems)	16.240	20.445
Audit and other advisory services	402.887	552.581
Insurance premiums	7.217	14.735
Lawyers , executors , court fees	209.221	193.271
IT software	229.720	490.231
Expenditure with collaborators	62.261	100.866
Other administrative expenditure	1.560.657	2.360.949
Total other administrative expenditure	**3.341.596**	**4.750.447**

The company paid in 2022 the amount of 186,270 lei to financial auditors and the amount of 366,311 lei for financial consulting services.

Expenditure on marketing consultancy services in 2022 is 64,294 lei.

9.8 Other operating expenditure

	31.dec.21	31.dec.22
	(lei)	(lei)
Other taxes to the local budget	176.585	22
Interest on other loans attracted	29.330	102.073
Space rents	105.239	105.598
License rents	1.600.139	319.922
Fines	5.075	0
Other expenses	0	45.005
Total other operating expenditure	**1.916.368**	**572.620**

9.9 Expenditure on provisions

	31.dec.21	31.dec.22
	(lei)	(lei)
Provisions for loans	1.192.301	4.262.436
Interest provisions	817.739	2.273.297
Provisions for commissions	1.944	978.657
Off-balance sheet claims	813.059	962.862
Total expenditure on provisions	**2.825.043**	**8.477.252**

9.10 Re-use of provisions

	31.dec.21	31.dec.22
	(lei)	(lei)
Provisions for loans	490.300	716.711
Interest provisions	980.196	765.143
Recoveries of off-balance sheet debts	44.115	197.562
Total income from provisions	**1.514.611**	**1.672.416**

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

Staff expenditure

	31.dec.21	31.dec.22
	(lei)	(lei)
Expenditure on salaries	413.865	646.890
Other expenditure of a salary nature	1.200	0
Expenditure on social security & social protection, of which:	0	0
- pension expenditure	0	0
- other social protection contributions	9.315	15.410
Total staff expenditure	**424.380**	**662.300**

As at 31 December 2022 the amount of 646,890 lei (2021: 413,865 lei) represents the gross salary expenses, including social security taxes, of the staff employed during the financial year.

	31.dec.21	31.dec.22
Number of employees at the end of the financial year, of which:	9	10
- number of front office employees	0	0
- number of employees in back office departments	9	10
Average number of employees, of which	6	9
- management staff	1	2
- directly productive staff	5	7

Expenditure on management staff (administrator)

	31.dec.21	31.dec.22
	(lei)	(lei)
Expenditure on salaries	45.507	73.010
Other expenditure of a salary nature	0	0
Expenditure on social security & social protection, of which:	1.024	1.643
- pension expenditure	0	0
Total expenditure on management staff	**46.531**	**74.653**

The member of the Board of Directors, Radu Ciorba was remunerated in the financial year 20 22 with the gross amount of
34,546 lei (2021 : 45,507 lei).
In January 2022, the mandate contract for the position of General Manager was signed with Mr. Masut Dan Eugen, the remuneration being in the financial year 2022 in the gross amount of 38.464 lei.
In 2022, no advances were granted for settlement to the members of the management, the balance as at 31 December 2022 is 0 lei.
No credits were granted to members of the administrative, management and supervisory boards in 20 22.

11. AMOUNTS DUE AND RECEIVABLE FROM RELATED PARTIES

The nature of the relationships with related parties with which the Company has entered into significant transactions or with which it had balances as at 31 December 2022 is detailed below.

The following transactions were carried out with :

- the company OC Global Limited, 100% owned by Radu Ciorba,
- persons from the management of the Company: Mr. Ciorba Radu ,
- the company Annra Organisation SRL owned 50% by Mr. Ciorba Radu
- Volt Finance Sa is 98% owned by the majority shareholder of Ocean Credit.

	31.dec.21	31.dec.22
	(lei)	**(lei)**
Active		
Loans granted to members of the management of the company	0	0
Advanced amounts - Volt Finance SA	71.665	1.717.607
Amounts advanced- OC Global Limited	29.447	71.917
Other debit balances - advance for settlement Radu Ciorba	6.353	0
Total assets	107.465	1.789.524

Passive	31.dec.21	31.dec.22
Shareholder/related party loans	0	2.306.740
Subordinated loans	0	978.000
Other credit balances - receivable attached	1.177	77.579
Outstanding invoices OC Global Limited	212.026	0
Total liabilities	213.203	3.362.319

	31.dec.21	***31.dec.22***
	(lei)	**(lei)**
Expenditure		
Interest expenses on loans	29.330	198.031
Interest expenses on bonds held by NARRA Organisations	143.258	173.656
Expenditure on miscellaneous services	23.000	30.000
Licence closure / maintenance expenses	1.594.509	163.546
Total expenditure	**1.522.441**	**565.233**

Under the licensing agreement signed in 2020 for the use of the **MyOcean** software (referred to as **the Platform) , the** Company recorded in 2021 expenses for the rental of the Platform amounting to 1,594,509 lei.

In 2022, the Company recorded expenses for the maintenance of the **MyOcean** Platform amounting to 163,546 lei.

In 2021 , the Company launched a new innovative loan product (called Delfin) incorporating both the typical elements of a line of credit and traditional microfinance products. In 2021 the Company signs an agreement with OC Global Limited for the development and delivery of a software product called "Revolving Line of Credit" , in return for the sum of 90,000 eur , excluding VAT.

In 2022 the "Revolving Credit Line" software was improved with new functionalities, the cost of which is 220.000 eur, excluding VAT.

12. GEOGRAPHICAL MARKET INFORMATION

The company only has operations in Romania.

13. CONTINGENT LIABILITIES AND COMMITMENTS

The company has no contingent liabilities and commitments.

14. OTHER INFORMATION

14.1 Information on corporate tax

	31.dec.21 (lei)	31.dec.22 (lei)
Profit/Loss before tax	-354.949	196.398
Deductible items -legal reserve	0	9.820
Tax depreciation	78.211	449.550
Non-deductible expenses	166.934	563.382
Taxable profit	-266.226	300.410
Tax loss carried forward from previous year	0	-266.226
Taxable profit after loss carry forward/ Tax loss	-266.226	34.184
Income tax due	**0**	**5.470**
Tax credit (tax facilities - sponsorship)	**0**	1.094
Final income tax, cf. income tax return	**0**	**4.376**
Annual profit/loss	**-354.949**	**192.022**

14.2 RISK MANAGEMENT

The main risks associated with the Company's activity are of a financial and operational nature, resulting from the carrying out of financing activities in Romania.

The Company is exposed to the following risks as a result of the use of financial instruments, credit risk, market risk, which includes interest rate risk and exchange rate risk, liquidity risk.

Apart from these risks arising from financial activity, the Company faces other risks such as business environment risk, operational risk and taxation risk.

a. Credit risk

The company is exposed to credit risk, i.e. the risk of recording losses or not realising expected profits as a result of the counterparty's failure to meet its contractual obligations. Credit risk also arises from placements with credit institutions.

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 through the chip and interest over the life of the loan as well as setting exposure limits.

As at 31 December 2022, the loan portfolio, in terms of classification category, is structured as follows:

	31-Dec-21	**%**	**31-Dec-22**	**%**
Standard	6.454.814	61,97%	14.029.861	62,22%
Under observation	370.598	3,56%	848.403	3,76%
Substandard	356.684	3,42%	993.488	4,41%
Indoielnic	319.954	3,07%	418.296	1,85%
Losing	2.914.624	27,98%	6.259.926	27,76%
Total	**10.416.674**	**100%**	**22.549.974**	**100%**

b. Currency risk

The company is not exposed to currency risk as it has no significant transactions in foreign currencies.

c. Interest rate risk

The Company faces interest rate risk due to exposure to adverse market interest rate fluctuations. Changes in market interest rates directly affect the income and expenses related to financial assets and liabilities bearing variable interest rates, as well as the fair value of those bearing fixed interest rates.

d. Liquidity risk

The main sources of risk are the mismatch between the maturity of assets and the maturity of interest-bearing liabilities, as well as the evolution of interest rates on interest-bearing assets and liabilities.

The Company's strategy in managing liquidity risk is to match the duration of assets with liabilities for the entire maturity, considering that changes in the value of assets should be correlated with changes in the value of liabilities.

The Company's approach is to ensure, as far as possible, sufficient liquidity to meet its obligations when they fall due, so that there are no significant losses.

The value and structure of monetary assets and liabilities as at 31 December 2022 and 31 December 2021, based on liquidity analysed according to the remaining period to the contractual maturity date is presented below at table following table.

The tables below group the company's assets and liabilities into relevant maturity ranges based on the remaining period to maturity at the balance sheet date.

REMAINING PERIOD TO MATURITY

31 December 2022	Up to 3 months	Between 3 months and one year	Over 1 year and up to 5 years	Over 5 years	With maturity undefined	Total
Active						
Home, availability at central banks	4.281	0	0	0	0	**4.281**
Claims on credit institutions	877.924	0	0	0	0	**877.924**
Claims on clients	14.075.155	1.223.159	756.548	0	0	**16.054.862**
Intangible assets	0	0	0	0	1.504.838	**1.504.838**
Tangible fixed assets	0	0	0	0	161.625	**161.625**
Other assets	1.915.591	0	0	0	0	**1.915.591**
Prepaid expenses and accrued income	632.220	546.916	196.271	0	0	**1.375.407**
Total assets	**17.505.171**	**1.770.075**	**952.819**	**0**	**1.666.463**	**21.894.528**
Debts						
Debts related to credit institutions	5.809.498	24.218	44.586	0	0	**5.878.302**
Customer-related debts	307.841	0	0	0	0	**307.841**
Subordinated debt			10.100.667			**10.100.667**
Other liabilities	1.370.033	1.394.740	0	0	0	**2.764.773**
Accrued income and accrued liabilities	294.809	0	0	0	0	**294.809**
Provisions for risks and charges	0	0	0	0	0	**0**
Total debts	**7.782.181**	**1.418.958**	**10.145.253**	**0**	**0**	**19.346.392**
Net position	**9.722.990**	**351.117**	**-9.192.434**	**0**	**1.666.463**	**2.548.136**

REMAINING PERIOD TO MATURITY

31 December 2021	Up to 3 months	Between 3 months and one year	Over 1 year and up to 5 years	Over 5 years	With maturity undefined	Total
Active						
Home, availability at central banks	8.984	0	0	0	0	**8.984**
Claims on credit institutions	3.619.430	0	0	0	0	**3.619.430**
Claims on clients	5.089.551	2.183.542	9.402	0	0	**7.282.495**
Intangible assets	0	0	0	0	515.557	**515.557**
Tangible fixed assets	0	0	0	0	119.939	**119.939**
Other assets	172.726	0	0	0	0	**172.726**
Prepaid expenses and accrued income	391.720	45.730	218.487	0	0	**655.937**
Total assets	**9.282.411**	**2.229.272**	**227.889**	**0**	**635.496**	**12.375.068**
Debts						
Debts related to credit institutions	8.189	25.052	24.137	0	0	**57.377**
Customer-related debts	36.285	0	0	0	0	**36.285**
Debt securities			9.098.556			**9.098.556**
Other liabilities	667.975	0	0	0	0	**667.975**
Accrued income and accrued liabilities	154.178	1.875	2.708	0	0	**158.761**
Provisions for risks and charges	0	0	0	0	0	**0**
Total debts	**866.627**	**26.927**	**9.125.401**	**0**	**0**	**10.018.954**
Net position	**8.415.784**	**2.202.345**	**-8.897.512**	**0**	**635.496**	**2.256.114**

e. Operational risk

Operational risk is the risk of recording losses or not achieving expected profits, which may be caused by internal factors (inadequate internal activities, inadequate staff or systems, etc.) or external factors (economic conditions, changes in the banking environment, technological developments, etc.).

Given the importance that the Company attaches to human capital, the operational risk management takes into account the appropriate management of the personnel risk.

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

f. Reputational risk

Reputational risk is the risk of losses or unrealised profits due to a lack of public confidence in the integrity of the Company.

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

g. Taxation risk

Romanian tax legislation contains detailed and complex rules and has undergone several 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 Romanian Government has a number of agencies authorized to audit (control) companies operating on Romanian territory. 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.

h. Economic environment risk

The process of value-risk adjustment that has taken place on international financial markets in recent years has affected their performance, including the Romanian financial-banking market, 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. The significant losses suffered by 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 pose further 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 the management of cash flow forecasts 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 adopt special measures aimed at countering growing risk aversion and restoring 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 of 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 performance in current market conditions by:

- preparing liquidity crisis management strategies and establishing measures to deal with possible liquidity crises;
- constant monitoring of liquidity;
- current liquidity forecasts .

ADMINISTRATOR
Full name:

Ciorba Radu

Signature

Unit stamp

INTOCMIT
Ace Cont Expert SRL
Anton Elena

Signature

Unit stamp

ANTON ELENA

Digitally signed by ANTON ELENA
Date: 2023.04.27 10:14:28 +03'00'

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 2022, 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 2022 present the following:

- *Net assets / Total equity and reserves:* *2,548,136 lei*
- *Profit of the year:* *192,022 lei*

In our opinion, the accompanying separate financial statements provide a fair view of the financial position of the Company as of 31 December 2022, 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 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, 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, 2022 and December 31, 2022.

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.

Recognition of interest and fee income

5. For the financial year 2022, the interest income is in the amount of 7,924,249 lei, and the commission income is in the amount of 8,505,370 lei, mainly coming from loans granted to customers. These revenues represent the main share of operating revenues, with direct influences on the company's profitability.

Due to the specificity of the business, the significant volume of small individual transactions and related income, the recognition of interest and commission income is a key audit matter.

Interest income is recognized over the life of the loan using the interest rate and the recognition of commission income depends on their nature. The revenue recognition policy is presented in detail in Note 1 "Principles, Policies and accounting methods".

Our audit procedures included, among others:

• analysis of interest/commission data related to granted loans and management control over interest and commission income,

• we assessed whether the data used to calculate interest and commission income are complete and correct,

• we evaluated the mathematical formula used to recognize the applicable interest over the estimated life of the loan,

• I evaluated the accounting treatment applied by the Company in accordance with Order no. 6/2015 of the BNR for the approval of the Accounting Regulations in accordance with the European directives regarding the fees charged,

• I evaluated the income from interest and commissions, making my own estimate of the income, which I then compared with the Company's results.Specific provisions for credit risk for impairment of loans to customers

Specific provisions for credit risk for the impairment of loans granted 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 2022, 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.

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 2022, 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:

- 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 activity.

- 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.

CC AUDIT & ASSURANCE SERVICES SRL

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, 25.04.2023