ANNUAL REPORT
2024

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

Report date	29.04.2025
Company name	OCEAN CREDIT IFN S.A.
Headquarters social	București, Cal. Floreasca 112, et 2, sector 1
Telephone number	0758 068 000
Email address	info@oceancredit.ro
Unique registration code	34353350
Order number in the Trade Register	J40/4381/2015
Subscribed and paid-up share capital	3.000.000 lei
Financial instruments	Bonds, nominal 100 eur, maturity 2026
Market on which financial instruments are traded	Traded the multilateral trading facility, BVB, symbol OCIFN26E

CONTENTS

Letter to investors

Dear partners and investors,

2024 has been a year of expansion and transformation for Ocean Credit IFN S.A. In a challenging economic environment, we have managed to strengthen our position in the financial services market, expand our product portfolio and strategically invest in technology and infrastructure.

The launch of new lending products, the optimization of the existing offering and the strengthening of the partnership with the Volt platform have contributed significantly to attracting record numbers of customers and increasing the volume of loans granted. At the same time, we have invested in strengthening internal processes, digitization and the development of our team to support sustainable and healthy growth.

We responded effectively to operational and compliance challenges, strengthening risk management mechanisms and adapting quickly to regulatory requirements. These efforts have enabled us to maintain a high level of customer and investor confidence.

Looking to 2025, our ambitions are bigger than ever. We are planning the launch of a new product - the credit card in collaboration with Visa/Mastercard, aimed at both individual consumers and merchants. We will also develop the B2B segment, supporting the growth of Volt merchants with dedicated financing solutions.

We continue to integrate new artificial intelligence technologies into our origination and lending processes to improve decisions, speed up internal processes and provide our customers with fast, secure and personalized financial solutions.

We are focused on growing revenues, strengthening operational profitability and expanding our digital ecosystem, with the clear objective of becoming a leading player in innovative microfinance.

Thank you for your trust and for joining us on this journey. We are convinced that together we will turn today's opportunities into tomorrow's successes.

Yours sincerely, Vasile

Tamas

Chairman of the Board of Directors Ocean Credit IFN S.A.

BACKGROUND and OUTLOOK

Summarize 2024

18,596,304 Total revenue +31.5% vs. 2023	**190,728** Accounts created in the MyOcean platform +23.8% vs. 31-Dec-2023
28,467,784 Gross Portfolio +35.9% vs. 2023	**25,866** Unique customers (min. 1 credit taken) +26.2% vs. 31-Dec-2023
19,326,946 Net portfolio (loans at amortized cost) +49.4% vs. 2023	**10,116** Active loans +21.9% vs. 31-Dec-2023
43,404 Net profit under IFRS vs. (649,180) profit in 2023	**3,540** Average active credit +38.1% vs. 2023

During the reporting period, the company recorded a steady evolution in the number of loans granted, reflecting both the expansion of the product portfolio and the adaptation to customer needs and behavior.

2024 - the busiest operational year

The year 2024 saw a record **17,769 loans originated**, marking a **37%** increase **over 2023**. This development was supported by:

- **The launch and scaling of** the **Coral product**, which generated **1,751 contracts** in its first full year of operation. This result confirms the success of the new medium repayment offer (12-24 months), well positioned between flexibility and affordability.
- **The debut of Delfin Plus**, a flexible line of credit with a maximum term of 36 months, which generated **1,566 contracts**, indicating an increased appetite for products with repeated use and access to revolving limits.

Pinguin product transformation - a strategic decision

The "**Pinguin"** product saw significant growth in 2024, reaching **11,873 contracts** compared to **8,668 in 2023**. This development is all the more remarkable as, as of **January 2024**, the product structure was changed from **a 3 installment loan** to **a 6 installment loan**.

This adjustment to the repayment term was decided following analysis of payment behavior and customer desire for a more affordable monthly rate. The 2024 results confirm that this change has been well received, with the product consolidating its position as the main volume driver in the portfolio.

The biggest impact from an operational and financial point of view was recorded in the net portfolio, valued according to IFRS standards, which showed an increase of approx. 50%. Due to the current business approach, which involves keeping non-performing loans in the portfolio and managing recoveries through internal teams, the impact of these strategic decisions has been internalized in the financial result.

Internal risk scoring and control modeling through Machine Learning models with continuous re-training have cumulatively contributed to a significant reduction in risk in the new deals. The effect of these changes is most clearly reflected in the halving of costs associated with net impairment losses on financial assets (provisioning) from RON 4.3 million in 2023 to RON 2.5 million in 2024, in the context of a significant increase in the portfolio.

Also, the experience gained in the Hard Collection process in previous years has demonstrated the ability to recover more than 60% of the outstanding balance (outstanding principal, interest, fees, .) of non-performing loans within 24 to 36 months.

Significant events in the reporting period

In 2024, Ocean Credit IFN S.A. continued to strengthen its position in the financial services market by implementing a number of strategic and operational initiatives aimed at improving efficiency, compliance and product offering.

- **Expansion of product offering:** in January 2024, the "Pinguin" product was adapted to better meet customers' needs by extending the contract term from 90 to 180 days. The "Coral" and "Delfin Plus" products were also launched, offering customers fixed installment loan options over a period of 6 to 24 months, facilitating the financing of purchases on more flexible terms.
- **Strategic partnerships:** The partnership with the Volt platform was developed, allowing the line of credit to be offered as a "white label" within the platform, thus expanding distribution channels and access to new customer segments.
- **Sumsub identity verification solution integration:** during 2024, Ocean Credit integrated Sumsub's electronic identity verification (eID) vendor services, improving customer onboarding and ensuring compliance with European remote identification standards.

- **Supervision and compliance:** In April 2024, the National Bank of Romania, through the Supervision Department, initiated a control focused on compliance with laundering (AML) requirements. The inspection was completed in early 2025 and as a result, Ocean Credit implemented additional measures to strengthen the compliance framework.
- **Strengthening the team:** To support compliance and legal efforts, the company has hired a Compliance Officer and a Legal Assistant/Legal Counsel, thus strengthening internal risk management and compliance capacity

Outlook 2025

In the year 2025, the management of Ocean Credit IFN S.A. aims, as major objectives with impact on the results and performance of the activity, to implement the following strategic directions:

- **Expanding the product portfolio with the launch of the credit card launched in collaboration with Visa/Mastercard payment schemes**, targeting both individual consumers and small and medium-sized companies in the Volt network, thus strengthening the integrated credit and payment ecosystem.
- **Development of the B2B lending segment** by financing the purchases of merchants active in the White Label Card (WLC) network and the launch of the merchant inventory lending product.
- **Integrate new AI technologies into the underwriting and credit offer process**, including income prediction models, to increase eligibility and optimize decision-making.
- **Strengthening data infrastructure and governance,** ensuring the highest standards of security and compliance.
- **Continue to attract sources of institutional and capital market funding** to support accelerated growth of the loan portfolio and broaden the product range.

Ocean Credit IFN S.A. aims to **increase the gross value of the loan portfolio** 2025, mainly through the development of new products integrated into the Volt platform and the expansion of the active customer base in both the retail and micro business segments.

According to the estimated income and expenditure budget for 2025, the implementation of the strategic plan will lead to:

- **an increase of more than 30% in lending revenues compared to 2024**,
- **a strengthening of operational profitability**,
- and **a diversification of revenue sources** by adding new lines of business and recurring services.

This outlook reflects the company's ambition to build a sustainable growth model based on innovation, operational efficiency and the expansion of the digital financial ecosystem.

ANALYSIS OF COMPANY'S ACTIVITY

Description activity.

Founded 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 pace with the market it set out to shape: the consumer market for fully digitized non-bank credit services.

Ocean Credit IFN is the first *Fintech* NFI to bring to the Romanian non-bank lending market a 100% online lending experience and a *scoring* application designed to increase the level of education and ensure a balanced 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 effectively targeted consumer, whom it serves under conditions of strict responsibility, prudence and risk control.

The Ocean Credit products, suggestively named Penguin, Dolphin/Plus and Coral, and presented in a friendly and simple, oceanic, friendly manner, are lending solutions designed to meet the temporary and urgent financing needs of a young and educated segment of the population with a predilection for *fintech* products and services. The innovative character is given by the complete automation of the lending process, controlled by algorithms and *machine learning* and subject to continuous optimization. The business model is multivectoral, being, on the one hand, built on the multi-product paradigm, multiple capitalization and strategic partnerships and, on the other , powered and supported by the fintech scoring and financial intelligence application *Volt*, with a solid leverage effect both for the lending activity and for the related B2B services.

Thus, the business model integrates, alongside *core* non-bank lending services for the eligible end consumer, intelligent, *real-time* digital marketing services for banking institution partners generating leads at low acquisition costs.

In terms of outlook, the business model is developing by broadening the market niche currently targeted by the *Delfin* line of credit and the Pinguin installment credit *(sub-prime to prime)* with a consolidation of the *prime* segment to which Ocean Credit IFN offers new products, Coral (up to 24 installments) and Delfin *plus* (line of credit for purchases), with maturity terms of 24-36 months and credit limit up to 12,000 lei. The level of addressability of the Ocean Credit offer will be intensively accelerated through the launch of the Delfin *plus* product and its integration in the Volt 3.0 application that will implement a B2B2C (Business to Business to Consumer) model by integrating merchants' offers and managing dedicated loyalty and cashback programs. Thus, through

Volt's digital marketing and supply-side interdependencies, Ocean Credit will amplify Ocean's web traffic, leads, applicants, and new and repeat customers.

Focused from the outset on customer interaction with the predominantly mobile phone user, these terminals still absorb more than 90% of the company's traffic.

The lending process is supported by 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 are driven by large database processing, credit scoring engines built to continuously optimize the cost of credit through *machine learning* technologies.

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

In the 10 years since its inception, Ocean Credit has built, in three stages of development marked by the three versions of its lending product suite - ocean 1.0, 2.0 and 3.0 - an innovative retail microfinance business with a strong digital DNA and proven traction.

Significant reorganizations

During the reporting period there were no mergers, divisions, acquisitions or other changes in the Company's assets and liabilities.

Acquisitions / disposals of assets

There were no significant disposals of assets during the reporting period.

Main results

Ocean Credit ended 2024 **with nearly 17,769 loans originated, up 37% from 2023**. Of the total loans disbursed last year, approximately 43% (7,612) were disbursed new customers, while 10,157 (57%) were loans to existing customers who have turned to Ocean Credit's financing solutions again.

The efficient management of the loan portfolio ensured an interest and fee income of RON 18.6 million, registering a significant increase compared to the previous year. **The net result for the financial year is in line with expectations, taking into account the impact of the transition to IFRS reporting standards, the company recorded a profit in the amount of RON 43 thousand.**

Ocean's **market share**, calculated as the share of the value of the disbursed loan portfolio in the total loans granted by NFIs in Romania, remains below 1% in 2024. However, in terms of its competitive position according to performance criteria, Ocean Credit ranks among the top on the NFI market in terms of the characteristics of its offer, according to the analysis by the creditrapid.ro platform, as well as by financial information provider financialmarket.ro.

Assessment of the technical level of Issuer

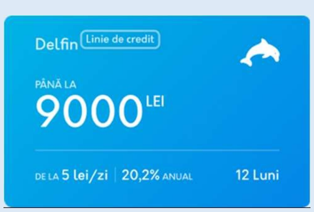
Product portfolio. Structure indicators. New products and in development.

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 enters with an innovative product offering that, incorporating technology, *machine* learning processes and automated processing of large , 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 digitally delivered through *fintech* and instant transfer services.

All products are digital and are subject to a continuous improvement process to provide customers with instant, convenience and payment. The company has aimed at creating and adapting products and services that form a complete and integrated offer of solutions for customer needs, characterized by flexibility but also responsibility. The credit process involves 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	**Categories**	**Description**
	Installment credit: 6 months	Daily interest rate between 0.195% and 0.999% depending on the client's risk profile; the term of the product was extended from 3 to 6 months in December 2023, following feedback received from clients.
	*Credit line*	Up to 9000 lei. Daily fee of 5, 7 or 9 lei (*based on the customer's risk category*) applied only in case of limit utilization. Accessible through the web and through the Volt application, thus turning any debit/salary card into an Ocean Credit Line

	Credit in installments: 6-24 months	Annual interest rate depending on the level of risk, between 19.9% and 71.2% (0.195% daily interest rate). Predominantly for *Prime* and *Near- Prime* customers.
	Installment credit: 12-24 months	Daily interest rate depending on risk level, between 0.111% and 0.199%. Launched in October 2022 as a refinancing instrument only for active Delfin or Penguin loans, for customers who prefer an equal installment loan with a longer maturity.
	Credit line 12-36 months	Up to 12000 lei. Daily interest rate depending on the risk level between 0.055% and 0.175%. Predominantly for Prime / Near Prime and Sub Prime customers. Includes the possibility of purchases from merchants/partners in installments 3/6/12 months.

Evaluation of funding activity

During 2024, several subordinated loans were obtained through the Company's founder in the amount of more than RON 5 mln, maturing in 2029.

Evaluation of selling activity

Marketing and promotion strategies and tools

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

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

Also, the automated system facilitates and tracks *cross-selling*, i.e. the automatic routing of a customer who opts for one of the Ocean Credit IFN service categories (Volt application services, credit, financial education, etc.) to the other services in the package offered. In this respect, the Volt application proves to be an important source of leads and new customers, through the *networking* effect based on each customer's network of contacts.

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

Also, the synergy between Ocean Credit IFN and Volt brings the advantage of amplifying the traffic on the Ocean website attracted from *marketplaces* such as OLX, Fixers, Ocazii etc., the network effect but also the attraction of qualified leads for the credit products.

To summarize, Ocean Credit's promotion and marketing actions are focused on 4 directions:

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

"PR". PR campaigns focus on financial education of customers, making available and understandable financial information that is often not easily accessible. They also use email marketing campaigns in full compliance with the European Directive on the circulation of personal data (GDPR).

"Growth Hacking" is a promotion model that involves the continuous generation of growth *ideas* from all employees and collaborators. These ideas are centralized in a dedicated application, filtered by a marketing and are introduced into testing over a two-week sprint. As a result, the *growth* actions imply organic generation of more traffic to the Ocean Credit IFN website.

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 the evaluation of the quality of the services offered and consumer satisfaction with the Ocean Credit IFN product.

Concentration rate

The client portfolio of Ocean Credit IFN, made up exclusively of individuals accessing microcredit, is characterized by atomicity and, therefore, a low concentration rate.

Staff issues Issuer

At the end of the reporting period, the company's team consisted of 8 employees, each with the appropriate professional training for the specific requirements of the positions held. Total expenses with staff amounted to 1.08 million lei, up from 689.1 thousand lei in 2023.

The company's staff carry out their work within the parameters defined by the integrated and complex system delimited by internal regulations, ensuring a professional, ethical behavior in accordance with the values and organizational culture of Ocean Credit. Human resources policies and procedures set out the rights and duties of staff, employee records, benefits, working conditions and professional conduct.

For Ocean Credit's human resources, there is no union representation. There were no conflicts between staff and management during the reporting period.

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 operation.

There were also no incidents/litigations, complaints, referrals or claims in relation to environmental protection issues during 2024. There have also been no instances of non-compliance by the Company's customers with environmental protection rules that could lead to penalties and no non-performing loans due to environmental issues.

Although Ocean Credit IFN IFN S.A. is not yet legally required to produce a sustainability report according to the European ESRS, the company is aware of its role in the economic and social ecosystem. In 2024, we aim to comply with the principles of sustainable development by:

- Full digitization of processes, which helps to reduce the consumption of paper and physical resources, thus reducing the carbon footprint associated with our operations;
- Promote financial education through the Volt platform and information materials, contributing to financial inclusion and consumer empowerment;
- Ethical and compliant business and employee relations, including transparent recruitment, remuneration and professional development policies;
- Initiate the ESG (Environment, Social and Governance) risk analysis process with the aim of gradually incorporating best practices into corporate governance.

Research - development

In 2024, the Company did not incur any R&D expenses. In the scope of new product or service development directions, the research activity is also outsourced to the service provider in IT/AI/digital marketing.

Issuer's risk management activity

The Board of Directors is responsible for identifying, evaluating and establishing policies for the management of significant risks; in exercising these powers the Board of Directors is assisted by the Risk Management Committee. This Committee analyzes significant risk exposures and informs the Board of Directors on the evolution of significant risks and the need to modify the Company's risk profile.

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

Taking into account the specific nature of a microcredit company, the size and complexity of the Company's business and its medium risk appetite, the Board of Directors has assumed a medium risk profile.

In order to continuously assess the Company's compliance with the risk profile assumed by the Company, criteria have been established for determining the materiality threshold as well as 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 financial or reputational situation is material and/or the probability of its occurrence is high. The Company has established the criteria and quantitative (value) threshold at which a risk is considered significant:

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

For the identified risks, the Company determines the most appropriate methods to minimize the impact in case of their occurrence and to decrease the likelihood of occurrence of the events that cause them.

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

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

In order to manage significant risks (credit risk, market risk, operational risk and reputational risk), the Company has established:

- authorization procedures for operations subject to risks;

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

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

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

Credit risk

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

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

Loan exposure in respect of loans to customers is represented by the current amount of assets on the balance sheet. To minimize risk, procedures are in place to review customers prior to lending and to monitor their ability to pay principal and interest over the life of the loan as well as establish exposure limits.

At December 31, 2024 the loan portfolio, in terms of classification category, is structured as follows:

Credits and advances granted to customers, lei	***2024***	***%***	***2023***	***%***	***2022***	***%***
- individuals						
Stage 1	16,114,402	*83%*	10,337,863	*80%*	11,627,119	*71%*
Stage 2	757,612	*4%*	664,588	*5%*	1,877,258	*11%*
Stage 3	2,454,932	*13%*	1,930,220	*15%*	2,975,526	*18%*
Total	**19,326,946**		**12,932,671**		**16,479,903**	

- Stage 1: credit risk has not materially increased since initial recognition. For these financial assets, the Company recognizes 12-month ECL and recognizes interest income on a gross basis (calculated based on the gross carrying amount of the financial asset before adjustment for ECL).

- Stage 2: when credit risk has increased significantly since initial recognition. ECL is recognized on a lifetime basis, but interest income continues to be recognized on a gross basis.
- Stage 3: when the financial asset is impaired. This is effectively the point at which a default event has occurred. For these financial assets, the Company recognizes ECL over their lifetime.

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

- Overall 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 type of product offered by the institution (microcredit for individuals). By limiting the maximum level of credit granted per client, even in the case of several members of the same family, the concentration may not be significant in relation to the level of the institution's own funds.

- Risk generated by the size of the portfolio's exposure to related parties
- The institution's policy of not lending to affiliates limits exposure to this risk factor to zero.
- The 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 specified purpose of use and the low limit of individual loans granted, the institution considers that it will achieve a high diversification of the use of the loans granted; in conjunction with the lack of collateral, the natural exposure to this risk factor is assessed as insignificant
- The risk generated by the concentration of the portfolio on economic segments (by client occupation)
- The institution considers the concept of microcredit to individuals as providing sufficient diversification.
- Global portfolio quality risk

This risk factor consists in the risk of financial destabilization of the institution caused by the deterioration of the 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 past due of each borrower and gradually adopting recovery measures starting from a small number of days past due. Thus, the residual exposure to this risk factor is assessed as insignificant.

- Specific credit risk (counterparty risk)

Given the type of uncollateralized 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 minimize exposure to this risk factor:

- Granting credit only to persons with a stable income
- Grant credit only to individuals with a bank account
- Granting credit only to persons who have provided all the requested personal information and whose CNP 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 laid down in the Lending Manual. This set of characteristics and their weights in the scoring system is based on:
- The experience of the shareholders and management of the institution in the field of micro-credit to individuals
- Regular analysis of performance and stability of the institution's portfolio
- Execution of overdue amounts with as few days' delay as possible
- Capitalization of the portfolio of non-performing loans whose recovery by automatic debit has failed at a sufficiently early stage.

Market risk

Market risk is the risk of incurring losses or not realizing expected profits, which arises from market fluctuations in prices, interest rates and exchange rates. The market risk with a significant impact on the institution's activities 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, or fail to 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 specific risk indicators, putting in place operations that support adequate risk management.

Liquidity risk

Liquidity risk is defined as the Company's risk of failing to meet its current and future payment obligations, both scheduled and unscheduled, without materially affecting its day-to-day operations or its overall financial condition.

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

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

The value and structure of monetary assets and liabilities with a contractual maturity of up to 1 year as at December 31, 2023/2024 are shown in the following table, with the net position and ratios between asset and liability categories reflecting a comfortable level of liquidity:

	2024	2023
Current assets, of which	**24.707.823**	**21.242.580**
Home and other values	2.908.435	6.003.854
Claims on customers	19.326.946	12.597.667
Other assets	2.472.441	2.641.059
Current liabilities, of which	**8.240.541**	**7.053.191**
Loans from banks	1.017.009	3.457.687
Loans other institutions	6.001.920	2.526.956
Leasing	155.885	26.614
Other current liabilities	883.257	927.037
State budget debts	182.470	114.897
Net position	**16.467.282**	**14.189.390**

Currency risk

Foreign exchange risk is defined as the risk that the Institution will incur losses or not achieve its expected profits due to market fluctuations in foreign exchange rates. For Ocean Credit, currency risk arises almost exclusively in relation to the Euro denominated bond issue.

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, and by putting in place operations that support appropriate risk management.

Market risk is managed in a transparent and responsible manner, through efficient trading with a view to adjusting investment imbalances and achieving medium and long-term gains from the optimal investment of attracted resources.

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

Operational risk

Operational risks are the risk of incurring losses or not realizing expected profits as a result of internal factors (e.g. internal fraud, control environment, organization 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 advances, etc.).

Operational risk is reported and monitored on the basis of indicators that are regularly reviewed by the Risk Management Committee.

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

At the same time, the management of legal risk - a component of operational risk, arising from the non-application or misapplication of legal or contractual provisions, which negatively affect the Company's operations or situation.

The management of operational risks is done in a prudent and responsible manner, in line with the Company's risk profile, aiming at:

- establishing an operational risk culture within the Company;
- establishing a robust control environment;
- adherence to international best practices on operational risk.

Existing policies and procedures for:

- Constant staff training (Internal staff training standard)
- Internal Control (Control Standard)
- immediate recovery in the field of information and technology (Internal Business Continuity Rule and Internal Rule for Information Security)

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

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

Reputational risk

Reputational risk is the risk of incurring losses or not realizing expected profits as a result of a lack of public confidence in the integrity of the Company.

Reputational risk management aims at 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, control, media.

Taxation risk

Romanian tax legislation contains detailed and complex rules and has undergone various changes in recent years. The interpretation of the text of the law and the practical implementation of 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 in Romania. These audits are similar to tax audits in other countries and may cover not only tax matters, but also other legal and regulatory matters 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 risk-adjustment process 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 capital market funding, low levels of liquidity 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 refinancings of existing facilities on terms similar to those applicable to previous transactions.

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

The Company's debtors may also be affected by liquidity crisis situations that could affect their ability to honor their current debts. Deteriorating operating conditions of creditors and debtors could also affect the management of cash flow forecasts and analysis of impairment 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 contribute at a later stage 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 banking and financial sector in Romania and, subsequently, what effect they could have on these financial statements.

Management is unable to reliably estimate the effects on the Company's financial statements resulting from deterioration in financial market liquidity, impairment of financial assets influenced by illiquid market conditions and high volatility in 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 liquidity monitoring; current liquidity forecasts.

Tangible assets of the Issuer

Due to the nature of its activity and its business model, Ocean Credit IFN S.A. does not have tangible assets of significant value. As at December 31, 2024, tangible assets included means of transportation, equipment, furniture, office and other assets with a carrying amount of RON 198.6 thousand.

Intangible assets of the Issuer

Ocean Credit IFN S.A. bases its business model fundamentally on intangible resources, without physical substance, which are the main source of value creation. These include:

- Volt's proprietary digital platform and scoring algorithms: developed and maintained by technology partner FinTech Lab SRL, these components are fundamental to automated lending and are the backbone of the decision-making process in credit risk assessment.

- In-house software and artificial intelligence solutions: used for bidding, scoring and risk management process, helping to optimize costs and reduce credit approval time.

- The Ocean Credit and Volt brand and digital identity: supported by digital marketing strategies based on SEO, media campaigns and partnerships, these intangible elements are key to attracting new customers and maintaining a strong base of repeat users.

Our business model is 100% digital, and the value generated is derived directly from the scalable use of these intangible assets that enable operational efficiency, speed of execution, product customization and customer loyalty.

Market of securities issued by Issuer

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

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

Up to the date of the Report, the issuer has honored all its coupon payment obligations and does not anticipate any difficulties in the future in complying with the coupon payment schedule as presented on the BVB website and in the Listing Memorandum.

The profile of the business, the management team as well as the financial instrument have attracted above par ratings throughout the entire trading period from the admission of the bonds to the stock exchange until the time of this report.

During the reporting period, the peak was 84.9.

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 right, on the allocation of the profit for a financial year, the shareholders being 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 necessary future investments.

Management 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 the Company's Shareholders.

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

Mr. Radu Ciorbă, Chairman of the Board of Directors, Managing Director and Chief Executive Officer of the NFI with full powers, holds a double degree in economics (finance and banking) and administrative law, and 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 his little over 14 years of experience, has set up 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 director), a company providing microfinance services to individuals in Rep. Moldova in the period 2007-2009, in which the company ranked 5th out of 24 in terms of financial profitability, 7th in terms of the value of equity capital and bank credits and loans obtained, 8th and 9th respectively in terms of the portfolio of loans granted and the 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 euro
- ZEBRAPAY SRL, (sole administrator), provider/operator of electronic payment terminals to utilities, merchants and public institutions including

Orange, Vodafone, Cosmote, CFR Călători, etc. Between 2009 and 2014, ZebraPay's turnover increased from 282,1 thousand lei to 28.121 thousand lei, respectively 100 times, the number paying customers at ZebraPay terminals reached 400.000 and the amounts processed through them, 96,4 million lei in the first semester of 2015.

- Since 2015, Radu Ciorbă has been focusing on synergistically interconnected businesses - microcredit and electronic transfers - founding and managing the companies OCEAN CREDIT IFN S.A. and VOLT FINANCE S.A. In less than a year since its launch, Volt Finance has registered almost 20,000 unique users and revenues on a sustained growth trend with the launch of subscriptions in August 2020.
- Between 2016 and 2020, the income from lending activity of Ocean Credit IFN S.A. increased from MDL 3,196.2 thousand to MDL 5,310.8 thousand, and the annual gross amount of loans granted increased almost three times, from MDL 7,172.6 thousand in 2016 to MDL 20,227.1 thousand in 2020.

It indirectly holds 100.0% of the Company's share capital.

Mr. Dan Augustin Ionescu, non-executive director, a Romanian citizen residing in Bucharest, is an economist. Between 1978-1990, he worked at Rom Control Data Bucharest, in the area of production and marketing of computing technology. From 1990 to 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).

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

From 2015 to present, he is a Shareholder of Studioset Production SRL, providing strategic consulting in financial and promotional activities

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

During the reporting period, the Board of Directors of the Company met regularly, in accordance with the legal and statutory provisions, at least once every three months.

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 for 4 years and ends in 2026, while the contract between the Company and the persons in executive management is for an indefinite term.

At both senior and executive management levels, no agreements, arrangements or family ties with third parties were identified to which the appointment of any member was attributable.

In addition, during 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.

Corporate governance

Ocean Credit IFN S.A. is managed by a Board of Directors consisting of members with relevant experience in the financial, legal and technological fields, in compliance with the provisions of the applicable legislation on non-banking financial institutions. The company follows the principles of corporate governance, such as:

- Separation of management and control;
- Establish internal committees (e.g. Risk Management Committee);
- Implement internal policies and procedures that ensure the transparency, compliance and integrity of decision-making processes;
- Monitor executive management performance against operational efficiency and compliance indicators.

Persons related to 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**, along with Ocean Credit, a digital microcredit institution, **two other entities** with systemic synergy effect:

- **VOLT FINANCE S.A.**, a company with registered office in Bucharest, Calea Floreasca nr. 112, 2nd floor, sector 1, CUI 35545523, registered with the ONRC under number J40/1251/2016;
- **FINTECH LAB SRL**, company with registered office in Chisinau, sec. Rîscani str. Dimo Nicolae nr. 1, established in 2017, CUI1017600012413, registration no. 41176283.

The majority shareholder of Ocean Credit IFN SA is OC GLOBAL LIMITED through OCH Fintech DAC, with a holding of 99.6667% of the share capital. The second shareholder is Mr. Ciorbă Radu, administrator of Ocean Credit IFN S.A. and also of Volt Finance S.A., with a holding of 0.3333% of the share capital.

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

FINTECH LAB SRL brings together the team of IT experts who provide 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 relationships generated by the lease agreement between Ocean Credit IFN S.A. and FinTech Lab SRL of the microcredit platform owned and developed by FinTech Lab, the two companies operating operationally as interdependent parts of the same business. Between Volt Finance S.A. and Ocean Credit IFN S.A. there are incipient commercial relations generated by cross-selling, with Volt promoting Ocean Credit products.

Financial statement- accounting

This section and all financial information is based on the audited financial statements as of 12/31/2024. According to the report of the indpenedent auditor CC Audit&Assurance Services SRL, "the separate financial statements of the Company ... give a true and fair view of the financial position of the Company as at 31.12.2024 and of its financial performance and cash flows for the year then ended in accordance with the Accounting Law 82/1991, NBR Order No. 27/2010, and accounting policies".

The significant 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.

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

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

Statement of Profit or Loss and Other Comprehensive Income at 31.12.2024

	2022	2023	2024
Interest income	6.843.393	7.611.458	12.370.994
Commission income	8.505.370	6.527.132	6.225.310
Total revenue	**15.348.763**	**14.138.590**	**18.596.304**
Interest and commission expenses	-2.109.695	-2.666.077	-3.822.999
Net interest and commission income	**13.239.068**	**11.472.513**	**14.773.305**
Staff expenditure	-662.300	-689.182	-1.079.249
Direct operating expenses	-2.520.300	-2.218.198	-2.477.743
Expenditure on providers and consultancy	-1.568.227	-1.376.900	-1.285.475
Other information systems maintenance expenses	-163.546	-1.100.416	-5.243.353
Marketing expenses	-1.063.397	-1.733.566	-2.096.840
Administrative expenses	-1.473.751	-813.161	-996.018
Expenses related to amortization and depreciation of fixed assets	-477.513	-157.033	-159.599
Net foreign exchange gains/losses	-46.319	-57.297	-61.527
Net gains/losses on disposal of financial assets	0	335.197	0
Other operating expenses	148.982	46.481	17.345
Total operating expenditure	**-6.258.145**	**-6.387.175**	**-12.096.983**
Net result from operating activities	**6.980.923**	**5.085.338**	**2.676.322**
Net gains/(losses) on impairment of assets financial	-8.364.223	-4.308.557	-2.592.681
Profit/(loss) before tax	-1.383.300	776.781	83.641
Income tax expense	0	-127.673	-40.237
profit/(loss) for the reporting period	**-1.383.300**	**649.108**	**43.404**
Other comprehensive income	167.940	0	0
Overall result for the period	**-1.215.360**	**649.108**	**43.404**

Compared to 2023, the turnover increased by approx. 31% (4.4mln), registering at 31.12.2024 - 18.6 mln lei. The revenue structure changed by increasing interest income by 63% and decreasing commission income by approx. 5%. These changes in revenue structure were the result of several actions taken by the Company during 2024, including:

- *"Coral" product launch*. In January 2024, the equal installment credit product was launched, with fixed interest rate and a duration of up to 24 months, maximum amount 12 000 lei.
- *Launch of the "Delfin Plus" product* - In August 2024 the new revolving credit line was launched, initially available exclusively through the Volt mobile application, with a maximum limit of 12 000 lei and a period of 36 months, the product was designed to offer the possibility to purchase goods from partners (merchants) with payment in 3/6/12 equal installments.
- *Model score 360- default probability estimation model* for the Delfin Plus product - based on the data accumulated since October 2021, a new model has been created to underpin the offers for the "Delfin Plus " credit line product. Launched in production in October 2024 the model is to be constantly improved and calibrated to the accepted level of risk.

In 2024, total revenues increased significantly **by 31.5%** compared to 2023, reaching **RON 18.6 million** compared to **RON 14.1 million** in the previous year.

There has been a **clear repositioning of the revenue structure by product**, with a focus on the consolidation of installment products and the launch of new lending products:

- **Penguin installment credit** became the top revenue generator in 2024, accounting for **50.8% of the total**, up from **36.2%** in 2023. This growth reflects both the high demand for quick repayment products and the efficiency of the approval and recovery mechanism associated with this product.
- **The "Delfin" line of credit** remains a relevant product, but its share has decreased from **49.2% in 2023** to **33.2% in 2024**, in the context of a shift towards products with shorter maturities and higher conversion rates.
- **The "Coral" product (loans in equal installments)** and the "**Delfin Plus"** line of credit, launched during 2024, together generated revenues of more than **RON 2 million**, representing **approximately 11% of total revenues**. These results validate the strategic positioning of the new products in the company's portfolio and their growth potential in the coming years.
- The **Refinance product** saw a significant decline in the share of total revenues from **14.4% in 2023** to **4.9% in 2024**, signaling improvement in the quality of the current portfolio, the payment capacity of existing customers and a decrease in refinance applications from Ocean Credit customers.

Revenue developments

- **Interest income**: Increased **by 63%** in 2024 to 2023, from RON 7.6 million to RON 12.37 million, indicating an expansion of the loan portfolio and increased efficiency in generating income from core business.
- **Commission income**: Showed a slight decrease of **5%**, from R6.53 million in 2023 to R6.23 million in 2024, reflecting the change in the structure of products offered.

Evolution of expenditure

- **Interest expense and fees**: They increased by **43%** to RON 3.82 million in 2024, suggesting an increase in financing costs due to higher interest rates and attracting additional financing.
- **Operational expenses**: registered a significant increase of **84%**, from 5.87 million lei in 2023 to 10.81 million lei in 2024, indicating investments in infrastructure development, technology and team expansion.
- **Personnel expenses**: Increased by **57%** to 1.08 million lei, reflecting hiring of additional staff.

- **Value adjustments** on **financial assets**: decreased by **29%**, from RON 7.46 million in 2023 to RON 5.30 million in 2024, reflecting an improvement in the quality of the loan portfolio and a reduction in the need for provisioning.

Net result

- **Net Profit**: Decreased by **93%** from 649,108 lei in 2023 to 43,404 lei in 2024, despite revenue growth, indicating significant cost pressure on profitability. At the same time the investments in technology and team made in 2024 will ensure an increase in all indicators in 2025.

Following the preparation of the Financial Statements as at December 31, 2024, the structure of the Company's assets, liabilities and equity, expressed in RON, is as follows:

	2023	2024	variation
1.Active			
Cash and cash equivalents	6.003.854	2.908.435	-51,6%
Loans and advances granted to customers	12.932.671	19.326.946	49,4%
Tangible fixed assets	37.996	198.597	422,7%
Intangible fixed assets	88.529	834.463	842,6%
Right of use of assets	29.631	189.699	540,2%
Other assets	2.641.059	2.472.441	-6,4%
Current tax receivables	-		
Investments in related parties	5.905.376	5.905.376	0,0%
Assets Total	**27.639.116**	**31.835.958**	**15,2%**
2. Debt and Equity	**2023**	**2024**	**variation**
Loans from banks at amortized cost	3.457.687	1.017.009	-70,6%
Loans from investors at amortized cost	2.526.956	6.001.920	137,5%
Subordinated loan	17.892.428	20.858.516	16,6%
Other current liabilities	927.037	883.257	-4,7%
Other tax debts	64.959	139.861	115,3%
Current income tax liabilities	49.938	42.609	-14,7%
Leasing liabilities	26.614	155.885	485,7%
Share capital	3.000.000	3.000.000	0,0%
Legal reserves	127.003	131.185	3,3%

Result carried forward	(1.082.614)	(437.687)	-59,6%
Result of the reporting period	649.108	43.404	-93,3%
Total debt and equity	**27.639.116**	**31.835.958**	**15,2%**

The 2022-2024 period was marked by a **substantial increase in total assets**, which amounted to **RON 31.84 million in 2024**, up **15.2% compared to 2023** and **48% compared to 2022**. This development reflects the company's strategy of consolidating its loan portfolio, diversifying funding sources and investing in operational infrastructure.

Cash and cash equivalents decreased in 2024 to **RON 2.91 million** from **RON 6.00 million** in 2023. This **-51.6%** decrease reflects a more active use of cash to support lending and operational investments.

Loans and advances to customers increased by **49.4%**, from **MDL 12.93 million** to **MDL 19.33 million**, marking a solid expansion of the loan portfolio and high customer demand.

Tangible and intangible fixed assets increased significantly:

- **Tangible** fixed assets increased by more than 5 times (+422.7%), due to investments in infrastructure.
- **Intangible** fixed assets (software, licenses, etc.) increased by **842.6%**, from **88 thousand lei** to **834 thousand lei**, reflecting strategic investments in digitalization and technology.
  Assets from rights of use (IFRS 16 leases) increased by **540.2%**, reflecting the acquisition of an electric means of transport.

Investments in related parties, recorded for the first time in 2023, remained constant at **Lei 5.91 million**

The reduction in bank borrowings was significant in 2024, from **RON 3.46 million** to **RON 1.02 million** (-70.6%) given the company's strategy to finance itself more through equity-linked subordinated loans and forgo bank loans.

Loans from investors increased by **137.5%**, reaching **6 million lei**, indicating increased investor confidence in the company's business model and a greater openness to the private equity market.

Subordinated borrowing, the main source of mezzanine capital, continued to grow, reaching
RON 20.86 million, **+16.6% compared to 2023**.

Other taxes and duties liabilities increased by **115.3%**, which may reflect an increase in business volume and temporary settlement gaps.

The **retained result** improved, going from an **accumulated loss of -1.08 million lei** to **-437 thousand lei**, while the **result for the period** was positive, but significantly decreasing, from **649 thousand lei in 2023 to only 43 thousand lei in 2024** (-93.3%)

The evolution of the balance sheet reflects an **aggressive growth strategy**, supported by a rebalancing of the financing structure (reduction in bank lending, increase private investment), together with **significant investments in technology and infrastructure**.

The structure of the company's liabilities highlights the financing of the activity through subordinated loans, as well as the reduction of debts to credit institutions by converting the line of credit opened with TBI Bank into an installment loan with linear amortization.

Ocean Credit

CASH FLOWS - indirect method

for the financial year ending December 31, 2024

Cash flow situation	2023	2024
Net profit/(loss) for the period management	**649.108**	**43.404**
Adjustments for non-monetary items		
Amortization and depreciation of tangible fixed assets and intangible	157.033	159.599
Net impairment gain / (loss) financial assets	(1.086.187)	(1.086.187)
Other non-monetary adjustments	-	-
Interest and commission	2.666.077	3.822.999
Corporate income tax expenses	127.673	40.237
Cash available before changes in current assets net	**2.513.704**	**2.980.051**
(+/-) Loans and advances granted to customers	4.633.419	(5.308.088)
(+/-) Other assets	(134.559)	168.619
(+/-) Other liabilities	195.454	(43.781)
(+/-) Other taxes	77.189	67.574
Net cash after changes in working capital	**7.285.207**	**(2.135.626)**
Interest and commission payments	(2.666.077)	(3.822.999)
Income tax paid	(127.673)	(40.237)
Net cash used in operating activities	**4.491.457**	**(5.998.862)**
Purchases/sales of tangible and intangible fixed assets intangible	(4.578.995)	(1.226.202)
Acquisitions/sales of financial assets		
Related party liabilities		-
Net cash used in investing activities	**(4.578.995)**	**(1.226.202**
(+/-) Share capital	-	-
(+/-) Subordinated loans	7.506.239	2.966.088
(+/-) Borrowing from financial institutions and others investors	(2.297.054)	1.163.557
Net cash used in financing activities	**5.209.185**	**4.129.645**
Net cash used in the reporting period	5.121.648	(3.095.418)
Cash and cash equivalents at beginning of period	882.205	6.003.854
Net cash at the end of the reporting period	**6.003.853**	**2.908.435**

OCEAN CREDIT IFN S.A.

President of the Council of

Administration Vasile Tamas

MANAGEMENT STATEMENT

The undersigned Vasile TAMAS, as Chairman of the Board of Directors of OCEAN CREDIT IFN S.A. with registered office in Bucharest, Cal. Floreasca nr. 112, sector 1, unique registration code 34353350, order number at the Trade Register Office J40/4381/2015, declare on my own responsibility, being aware of the provisions of Article 326 of the New Penal Code, regarding false statements, the following:

- To the best of my knowledge, the accounts have been prepared in accordance with the applicable accounting standards and give 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 2024, submitted to the capital market operator - Bursa de Valori București S.A. - and to the Financial Supervisory Authority, presents correctly and completely the information about the company issuing bonds tradable under the symbol OCIFN26E.

VASILE TAMAS

Chairman of the Board of Directors of OCEAN

CREDIT IFN S.A.

Ocean Credit IFN S.A.

Individual Financial Statements
for the financial year ending December 31, 2024

Issued in accordance with
International Financial Reporting Standards adopted by
the European Union

Contents

ADMINISTRATIVE BOARD AND OTHER OFFICES

Board of Directors:	Alexandru Sonic Radu Ciorba Ionescu Augustin Dan
Independent Auditor:	
Head Office:	Calea Floreasca nr.112 etaj.2 Bucuresti, Sector 1
Bank:	Libra Internet Bank SA
Unique Registration Code:	34353350 Certificate No. B3049007 of 09.04.2015

Statement of profit or loss and other comprehensive income for the year ended December 31, 2024

(All amounts are in lei, unless otherwise indicated)

RON	Notes	**2024**	**2023**
Interest income	6	12.370.994	7.611.458
Commission income	6	6.225.310	6.527.132
Total revenue		**18.596.304**	**14.138.513**
Interest and commission expenses	6	(3.822.999)	(2.666.077)
Net interest and commission income		**14.773.305**	**11.472.513**
Staff expenditure	7	(1.079.249)	(689.182)
Direct operating expenses	9	(10.813.954)	(5.865.341)
Amortization and depreciation expenses immobilizations	8	(159.599)	(157.033)
Net foreign exchange gains/losses		(61.527)	(57.297)
Net gains/losses on disposal of financial assets		-	335.197
Other operating expenses	9	17.345	46.481
Total operating expenses		(12.096.983)	(6.387.175)
Net result from operating activities		**2.676.322**	**5.085.338**
Net gains/(losses) on impairment of financial assets, of which:		(2.592.681)	(4.308.557)
Expenses related to adjustments for expected losses on financial assets		*(5.296.575)*	*(7.456.227)*
Income from adjustment for expected losses on financial assets		*2.703.894*	*3.147.067*
Profit/(loss) before tax		**83.641**	**776.781**
Income tax expense		(40.237)	(127.673)
Net profit/(loss) for the reporting period		**43.404**	**649.108**
Other comprehensive income		-	-
Overall result for the period		**43.404**	**649.108**

Deputy Managing Director
Ruslan David

Ace Cont Expert SRL
by: Elena Anton

The notes on pages 5 to 40 are an integral part of these financial statements.

Statement of financial position at December 31, 2024

(All amounts are in lei, unless otherwise indicated)

RON	Notes	**2024**	**2023**
1.Active			
Cash and cash equivalents	10	2.908.435	6.003.854
Loans and advances granted to customers at amortized cost	11	19.326.946	12.932.671
Other assets	15	2.472.441	2.641.059
Current tax receivables			-
Current assets		**24.707.823**	**21.577.584**
Tangible fixed assets	12	198.597	37.996
Intangible fixed assets	14	834.463	88.529
Right of use of assets	13	189.699	29.631
Investments in related parties	16	5.905.376-	5.905.376
Long-term assets		**7.128.135**	**6.061.532**
Assets Total		**31.835.958**	**27.639.116**
2. Debt and Equity			
Borrowing from banks at amortized cost	17	1.017.009	3.056.087
Borrowing from other institutions at amortized cost	17	6.001.920	2.526.956
Other current liabilities	19	883.257	927.037
Other tax debts		139.861	64.959
Current income tax liabilities		42.609	49.938
Leasing debts		155.885	26.614
Current debts		**8.240.541**	**6.651.591**
Borrowing from banks at amortized cost		-	401.600
Subordinated loan	18	20.858.516	17.892.428
Long-term debts		**20.858.516**	**18.294.028**
Net assets		**2.736.901**	**2.693.498**
Share capital	21	3.000.000	3.000.000
Legal reserves		131.185	127.003
Result carried forward		(437.687)	(1.082.614)
Result for the reporting period		43.404	649.108
Total equity		**2.736.901**	**2.693.498**
Total debt and equity		**31.835.958**	**27.639.116**

Deputy Managing Director
Ruslan David

Ace Cont Expert SRL
by: Elena Anton

Statement of changes in own capital for the financial year ending December 31, 2024

(All amounts are in lei, unless otherwise indicated)

READ	**Share capital**	**Capital premium**	**Reserves**	**Retained result**	**Total**
Balance at January 1, 2024	**3,000,000**	**-**	**127,003**	**(433,506)**	**2,693,497**
Profit for the year	-	-	-	43,404	43,404
Building reserves legal	-	-	4,182	(4,182)	-
Total overall result for the year	-	**-**	**4,182**	**39,222**	**43,404**
Capital increases	-	-	-	-	-
Dividend distribution	-	-	-	-	-
Shareholder transactions	**-**	**-**	**-**	**-**	**-**
Balance at December 31 2024	**3,000,000**	**-**	**131,185**	**(394,284)**	**2,736,901**

READ	**Share capital Premium de**	**capital**	**Book**	**Retained result**	**Total**
Balance at January 1, 2023	**3,000,000**	**-**	**88,164**	**(1,043,775)**	**2,044,389**
Profit for the year	-	-	-	649,108	649,108
Constitution of legal reserves	-	-	38,839	(38,839)	-
Overall result for the year	**-**	**-**	**38,839**	**610,269**	**649,108**
Capital increases	-	-	-	-	-
Distribution of dividends	-	-	-	-	-
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**
Balance at December 31, 2023	**3,000,000**	**-**	**127,003**	**(433,506)**	**2,693,497**

Deputy Managing Director
Ruslan David

Ace Cont Expert SRL
by: Elena Anton

Cash flow statement for the financial year ending December 31, 2024

(All amounts are in lei, unless otherwise indicated)

	2024	2023
profit/(loss) for the reporting period	**43.404**	**649.108**
Adjustments for non-monetary items		
Amortization and depreciation of tangible and intangible fixed assets	159.599	157.033
Net gain/(loss) on impairment of financial assets	(1.086.187)	(1.086.187)
Other non-monetary adjustments	-	-
Interest and commission	3.822.695	2.666.077
Corporate income tax expenses	40.237	127.673
Cash available before changes in assets Net current	**2.980.051**	**2.513.704**
(+/-) Loans and advances granted to customers	(5.308.088)	4.633.419
(+/-) Other assets	168.619	(134.559)
(+/-) Other liabilities	(43.781)	195.454
(+/-) Other taxes	67.574	77.189
Net cash after changes in working capital	**(2.135.626)**	**7.285.207**
Interest and commission payments	(3.822.999)	(2.666.077)
Income tax paid	(40.237)	(127.673)
Net cash used in operating activities	**(5.998.862)**	**4.491.457**
Purchases/sales of tangible and intangible fixed assets	(1.226.202)	1.326.381
Acquisitions/sales of financial assets		
Related party liabilities		(5.905.376)
Net cash used in investing activities	**(1.226.202)**	**(4.578.995)**
(+/-) Share capital	-	-
(+/-) Subordinated loans	2.966.088	7.506.239
(+/-) Borrowing from financial institutions and others investors	1.163,557	(2,297,054)
Net cash used in financing activities	**4.129.645**	**5,209,185**
Net cash used in the reporting period	(3.095.418)	5,121,648
Cash and cash equivalents at beginning of period	6.003.854	882,205
Net cash at the end of the reporting period	**2.908.435**	**6,003,853**

Deputy General Manager
Ruslan David

Ace Cont Expert SRL
by: Elena Anton

1. Reporting entity

OCEAN CREDIT IFN SA (hereinafter referred to as the "Company") was registered 09.04.2015, as a joint-stock company, being established in accordance with the provisions of Law No. 31/1990, as well as Ordinance No. 28/2006 on the regulation of financial and fiscal measures. OCEAN CREDIT IFN SA is registered with the Bucharest Trade Register under no. J2015004381402, having as its main object of activity other granting of credit, COD CAEN 6492, and as secondary object of activity 6499 - Other financial service activities, except insurance and pension funding, etc.

It is registered at the D.G.F.P. - BUCHURESTI under no. 34353350, as well as in the National Bank of Romania's registers with the General Register under no. RG-PJR-41-110300/28.08.2015, with registered office in Bucharest, 112 Floreasca Street, Sector 1.

On December 31, 2024, the structure of the Board of Directors is as follows:

• Mr. Ciorba Radu, Romanian citizen, Chairman of the Board of Directors

• Mr. Alexandru Sonic, Romanian citizen, member of the Board of Directors

• Mr. Ionescu Dan Augustin, Romanian citizen, member of the Board of Directors

The company is a Romanian legal 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 December 31, 2024.

2. Fundamentals

a) Declaration of conformity

The accounting records of the Company are kept in lei ("RON"), and the financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS"), in force at the reporting date of the Company, namely 31.12.2023. issued by the International Accounting Standards Board ("IASB").

IFRS financial statements are prepared in accordance with the NBR Order no 27/2010 for the approval of the Accounting Regulations in accordance with IFRS Standards applicable to non-banking financial institutions.

The Company's statutory financial statements were approved by the Board of Directors on April 30, 2025.

Basics (continued)

b) Continuity of activity

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future. To assess the applicability of this presumption, management analyzes forecasts of future cash inflows. Based on these analyses, management believes that the Company will be able to continue in operation for the foreseeable future and therefore the application of the going concern principle in the preparation of the financial statements is justifiable.

For the year ended December 31, 2024, the current result was 43,404 lei (2023: 649,108 lei).

c) **Evaluation basics**

The financial statements have been prepared based on the fair value convention for financial assets and liabilities at fair value through profit and loss and for financial assets recognized at fair value through other comprehensive income and revaluation of investment property.

Other financial assets and liabilities are stated at amortized cost and non-financial assets and liabilities are stated at historical cost.

d) **Functional and presentation currency**

The financial statements are presented in Romanian lei ("RON") which is the functional and presentation currency of the Company's financial information.

e) **Use of significant accounting estimates and interpretations**

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and related judgments are based on experience and numerous factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount of assets and liabilities that cannot be inferred from other sources. Actual results may differ from the estimated amounts.

Estimates and assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in future periods affected.

f) **Accounting policy changes**

The accounting methods and policies set out below have been consistently applied by the Company throughout the financial years presented in these financial statements, prepared in accordance with IFRS for the period ended December 31, 2024.

3. Significant accounting policies and methods

The principal accounting policies used in the preparation of these financial statements are listed below. These policies have been applied consistently throughout the periods presented.

3.1 Foreign currency conversion

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date. Monetary assets and liabilities recorded in foreign currency at the date of the balance sheet are expressed in the functional currency at the exchange rate of that day. Gains or losses on settlement and on translation using year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except for differences arising on the translation of financial instruments classified at fair value through other comprehensive income, which are included in the reserve for changes in fair value of those instruments in equity.

Non-monetary assets and liabilities recorded at historical cost in foreign currency are denominated in functional currency at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities denominated in a foreign currency that are measured at fair value are recorded in the functional currency at the exchange rate on the date when fair value was determined.

The exchange rates of the main currencies were as follows:

Currency	31.12.2024	31.12.2023
US Dollar - USD	1:LEU 4.7768	1:LEU 4.4958
Euro - EUR	1:LEU 4.9741	1:LEU 4.9746

3.2 Recognizing interest income and expenses

Interest income and expenses are recognized in the income statement for all loans and financial instruments, other than at fair value through profit or loss (FVTPL), on an accrual basis using the effective interest method.

This method defers, as part of interest income or expense, all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Fees that are an integral part of the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or the issuance of a financial liability, for example fees for credit assessments, the valuation and registration of collateral or guarantees, the negotiation of instrument terms and for processing transaction documents. Commitment fees received by the Company to originate loans market interest rates are an integral part of the effective interest rate if the Company is likely to enter into a particular lending arrangement and does not expect to sell the resulting loan shortly after origination. The Company does not designate loan commitments as financial liabilities at FVTPL.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have become impaired, for which interest income is calculated by applying the effective interest rate to their amortized cost, net of their estimated value. provision for credit losses.

3.3 Income and expenditure from fees and charges

Fee and commission income includes income from services rendered to third parties and fee and commission expenses and 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 revenue or expense from fees and commissions depends on their economic nature. Thus, according to their economic nature, the Company operates with the following categories of commissions:

- Fees that form an integral part of the effective interest rate of a financial instrument, the accounting treatment applicable to this type of fee is described above
- Fees earned as the services are rendered, recognized in the income statement as the services are rendered or during the period of engagement. Such fees include, but are not limited to: fees for the payment of commercial transactions, fees paid to banks for the management of the current bank account.

3.4 Dividends

Dividend income is recognized in the income statement on the date on which it is determined the right to receive such income and future cash inflows are probable. The company may declare and pay dividends to its shareholders when losses carried forward are fully covered.

3.5 Financial instruments

Financial assets

(a) *Initial recognition of financial instruments*

A financial asset or financial liability is recognized in the statement of financial position only when the Company becomes a party to the contractual provisions of the instrument.

(b) *Initial measurement of financial instruments*

On initial recognition, the Company shall measure a financial asset at its fair value plus or minus, in the case of a financial asset that is not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are recognized in the statement.

(c) *Classification of financial instruments*

The category into which a financial instrument is classified on initial recognition depends on both the business model for managing financial assets and the contractual flow characteristics of the financial asset.

Business model assessment

The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model is not dependent on management's intentions for an individual instrument. Consequently, this condition is not an approach to categorize instrument-by-instrument and should be determined at a higher level of aggregation. During the assessment of the business model for financial asset management, all relevant evidence that is available at the date of the assessment should be considered.
Business models are divided into three categories. These categories are defined below:

- <u>A business model whose objective is to preserve assets held for the collection of cash flows.</u> Such a model is managed so as to realize cash flows by collecting contractual payments over the life of the instrument. Financial assets that are held under this business model are measured at amortized cost when the contractual terms of the financial asset meet the condition that at specified dates give rise to cash flows that represent only payments of principal and interest on the principal amount outstanding.
- <u>A business model whose objective is achieved both by collecting contractual cash flows and by selling the financial asset</u>
  In this model, financial assets are managed both to generate cash flows by collecting contractual payments and by selling them to improve the liquidity position or to optimize portfolio yield. Changes in the fair value of financial assets that are held under this business model are recognized in other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise to cash flows that represent only payments of principal and interest on the principal amount outstanding.
- <u>Other business models:</u> Other business models include financial assets that do not meet the criteria of the two models mentioned above, such as those in the assets are

managed for the purpose of deriving cash flows from their sale (trading) or those where assets are managed on a fair value basis, assets acquired for trading purposes and measured through the profit and loss account. This model involves managing the portfolio through frequent purchases and sales in order to maximize profit.

The Company manages its loan portfolio with the objective of collecting contractual cash flows. Historically, the Company has had no sales of loans in its portfolio. The Company's expectations of future sales relative to the loan portfolio are consistent with this historical pattern. Thus, it can be concluded that the Company's business model for the loan portfolio is the business model whose objective is to preserve the assets held to collect cash flows.

Contractual cash flows representing only principal and interest payments

A financial asset is classified on the basis of contractual cash flow characteristics if the financial asset is held in a business model whose objective is to hold assets to collect contractual cash flows or in a business model whose objective is achieved by both collecting contractual cash flows and selling them. In a basic loan arrangement, the time value of money and credit risk are typically the most important elements. In the classification analysis, the Company applies professional judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is fixed. When contractual terms are exposed to risks that are not consistent with the underlying credit agreement, financial assets are valued at FVPL.

The clauses in the credit agreements entered into by the Company represent only principal and interest payments.

(d) *Valuation categories of financial assets and liabilities*

All financial assets are classified based on the business model for managing financial assets into four main categories listed below:

(i) Financial instruments at amortized cost

Financial assets are classified at amortized cost if both conditions are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that represent only principal and interest payments on the principal amount outstanding.

Loans and advances to customers are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and advances are recognized at cost and are also measured at amortized cost using the effective interest method.

(ii) Debt financial instruments measured at fair value through other comprehensive income (FVOCI), with gains and losses recycled to the profit or loss account on derecognition

Financial investments are classified as measured at FVOCI if both conditions are met:

- the financial asset is held as part of a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets; and
- the contractual terms of the financial asset give rise to cash flows which represent

only principal and interest payments on the principal amount .

A gain or loss on a financial asset, measured at FVOCI, is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. If the financial asset is reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the date of reclassification.

Interest calculated and recognized using the effective interest method on financial assets measured at FVOCI is recorded in interest income. On derecognition of these financial assets, the difference between the carrying amount of the asset and the amount of consideration received and any cumulative gain or loss recognized in other comprehensive income is recognized in the income statement.

The company does not hold debt financial instruments measured at FVOCI.

(iii) Equity instruments measured at FVOCI without recycling gains and losses through profit or loss

Equity instruments (bonds and equivalents) that are not held for trading purposes may be initially classified by the Company as measured at FVOCI. This option, exercised instrument by instrument, is irrevocable.

Amounts presented in comprehensive income will not subsequently be recycled to the income statement. The impairment requirements of IFRS 9 do not apply to equity instruments.

The company does not hold financial instruments of equity measured at FVOCI.

(iv) Financial instruments measured at FVPL

Financial instruments at FVPL are measured at their fair value and the gain/loss on these instruments is recognized in the income statement. The calculated interest income relating to these assets and the difference between their acquisition cost and amortized cost are recorded as interest income in the profit or loss account. The difference between the amortized cost and the fair value of these assets is recorded as trading income/expense in the profit or loss account. In cases where these assets are sold prior to maturity, the gain or loss on such sale is recognized as trading income/expense.

The company does not hold equity financial instruments measured at FVPL.

(e) *Derecognition of financial instruments*

Derecognition of financial assets due to transfer

The asset is derecognized if the contractual rights to the cash flows from the financial asset have expired or if the financial asset and all the risks and rewards of ownership of the asset are transferred to a third party. With the exception of equity instruments measured at FVOCI, the total amount comprising the gain or loss arising from the difference between the carrying amount and the amount realized, and also any cumulative gain recognized directly in equity, will be recognized in the income statement.

When all the risks and rewards of ownership of an asset have not been transferred to a third party and control of the asset is retained, the remaining portion of the asset and the liability arising from the asset continues to be recognized. When substantially all the risks and rewards of ownership of the asset have been retained with respect to a transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recorded as a liability.

Derecognition of financial assets following changes in contractual terms

In accordance with IFRS 9, renegotiation or modification of the contractual cash flows of a financial asset may result in derecognition of the existing financial asset. When a modification to a financial asset results in derecognition or subsequent recognition of the modified financial asset, then the modified asset is considered a new financial asset. Accordingly, if the new contractual terms are substantially modified, the Company derecognizes the original financial asset and recognizes a new financial asset. The new financial asset is initially recognized at fair value and the subsequent classification and measurement are reanalyzed considering the new characteristics of the business model and contractual cash flows.

The date of renegotiation is subsequently deemed to be the date of initial recognition for the purpose of calculating the related impairment. All financial assets that are impaired at the date of initial recognition (original or re-original date due to significant changes) are classified as impaired assets on initial recognition (POCI).

The company has no assets classified as POCI in its portfolio.

When the contractual cash flows of a financial asset are renegotiated or, as the case may be, modified, and the renegotiation or modification does not result in derecognition of that financial asset, the gross carrying amount of the financial asset is recalculated and a gain or loss is recognized.

Off-balance sheet derecognition and write-down

Write-offs or write-downs are carried out when a loan is considered non-recoverable (there is a high degree of uncertainty as to the recoverable amount and the time horizon). Write-offs and write-downs are not conditional on the completion of legal proceedings, nor do they imply the assignment by the Company of the right to the claim on the financial asset. These actions are taken only if the chances of future recovery are remote.

Financial debts

a) *Initial recognition of financial debts*

On initial recognition, the Company shall measure a financial liability at its fair value plus or minus, in the case of a financial liability that is not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition or issuance of the financial liability.

Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are recognized in the statement.

b) *Measuring financial liabilities*

All financial liabilities are measured at amortized cost except for financial liabilities at FVPL.

c) *Derecognition of financial debts*

A financial liability is derecognized from the statement of financial position when it is considered "extinguished", i.e. when the obligation specified in the contract is discharged, cancelled or expires.

As of December 31, 2024 and December 31, 2023, the Company has no financial liabilities at fair value through profit or loss.

Fair value measurement principles

Fair value is the price to be received to sell an asset or paid by market participants to transfer a liability in a transaction that is orderly at the measurement date.

Fair value is therefore measured using quoted market prices at the date of the financial statements without any deduction for transaction costs. If no quoted market price is available, the fair value of an instrument is estimated using available market and appropriate valuation methodologies.
However, judgment is necessarily required in interpreting market data to determine fair value estimates. Accordingly, the estimates made are not necessarily indicative of the amounts that might be realized from market transactions.

The determination of the fair value of financial assets and liabilities is based on quoted market prices or broker quotes for financial instruments traded in an active market. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price and other valuation methods. Unquoted equity investments for which a viable estimate of market value cannot be made are valued at cost and are periodically tested for impairment.

3.6 Clearing of financial instruments

Financial assets and financial liabilities are offset and the net result is presented in the financial statements when there is a legal right of set-off and there is an intention to settle them on a net basis or if it is intended to realize the asset and settle the liability simultaneously.

3.7 Impairment of financial assets

The Company recognizes adjustments for expected credit losses ("ECL") related to the following financial instruments that are not measured at FVTPL:

- Commercial loans and receivables;
- Funding commitments.

Under IFRS 9, adjustments are measured on one of the following bases:

- 12-month ECL: resulting from possible events of default occurring within 12 months of the reporting date and
- ECL: arising from possible default events over the remaining life of a financial asset.

Under this approach, the Company determines whether the financial asset is in one of the following three stages to determine both the ECL it recognizes and how it should recognized interest income.

- **Stage 1**: when credit risk has not materially increased since initial recognition. For these financial assets, the Company recognizes 12-month ECL and recognizes interest income on a gross basis (calculated based on the gross carrying amount of the financial asset before adjustment for ECL).
- **Stage 2:** when credit risk has increased significantly since initial recognition. ECL is recognized on a lifetime basis, but interest income continues to be recognized on a gross basis.
- **Stage 3**: when the financial asset is impaired. This is effectively the point at which a default event has occurred. For these financial assets, the Company recognizes ECL over their lifetime.

Financial assets impaired on initial recognition: are financial assets that are impaired from initial recognition (part of Stage 3).

At each reporting date, the Company assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When making the assessment, the Company considers the change in the financial asset's default risk. If, at the reporting date, the credit risk of a financial instrument has not materially increased since initial recognition, the expected loss on that financial instrument is measured as an amount equal to the 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, the expected loss for such an instrument is measured at an amount equal to the expected credit losses over the life of the financial instrument.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are impaired. A financial asset is impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is impaired includes the following observables:

- significant financial difficulty of the debtor or issuer;
- breach of contract, such as an event of default or delay;
- restructuring on the grounds of the debtor's financial difficulties, through the acceptance by the Company of contractual clauses that it would not have taken into account otherwise;
- the debtor becomes likely to enter bankruptcy or other financial reorganization; or
- the disappearance of an active market;

The expected loss is calculated either collectively by grouping financial assets with similar credit risk characteristics, or individually at the borrower level.

ECL is a estimate of credit losses. It is measured as follows:

- For financial assets that are not impaired at the reporting date: as the present value of all cash deficits (the difference between the cash flows due to the entity under the loan agreement and the cash flows the Company expects to receive);
- For financial assets that are impaired: as the present value of the difference between the gross carrying amount and the present value of estimated future cash flows.

3.8 Cash and cash equivalents

House and bank balances include: house balance, current accounts with banks, are recorded at amortized cost in the statement of financial position.

Cash and cash equivalents were considered as cash and cash in the cash flow statement: actual cash, current accounts with banks**.**

Balances with banks and placements with banks are stated at amortized cost less adjustments for impairment losses.

3.9 Intangible fixed assets

Costs related to developing or maintaining a software application are recognized as an expense when incurred. Costs that are directly attributable to the production of identifiable and unique software applications under the Company's control, and that are probable of generating economic benefits in excess of production costs over a period greater than one year, are recognized as intangible assets.

Internally developed software is stated at capitalized cost less accumulated amortization and provision for impairment.

Subsequent expenditures for software development are capitalized only to the extent that such expenditures result in an improvement in the future performance of the related assets. All other expenditures are expensed as incurred.

Costs associated with software development and maintenance are recognized as an expense when incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Company and that are likely to generate economic benefits excess of production costs for more than one year are recognized as intangible assets.

Amortization is charged to the income statement on a straight-line basis over the estimated useful life of the intangible asset from the date the intangible asset is put into use.

The estimated lifespan of the software application shall be correlated with its ability to deliver future benefits in terms of revenue generation, cost savings or other benefits to the Company's business.

3.10 Tangible fixed assets

(a) *Recognition and assessment*

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

They are stated in the balance sheet at cost less accumulated amortization and accumulated depreciation. Capital expenditures for property, plant and equipment are capitalized and depreciated when the assets are put to use.

The cost of a real estate consists :

- its purchase price, including customs duties and non-refundable purchase taxes, after deduction of trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

(b) *Subsequent costs*

The company recognizes in the carrying amount of an item of property, plant and equipment the replacement cost of when that cost is incurred or if it is probable that the economic benefits embodied in the asset will flow to the Company and the cost of the asset can be measured reliably. All other costs are recognized as an expense in profit or loss when incurred.

(c) *Amortization*

Depreciation is calculated using the straight-line method over the estimated useful life of each item of property, plant and equipment.

Property, plant and equipment in the process of being depreciated enter the depreciation process when they are located and in the condition necessary for them to be in working condition.

Estimated lifetimes by category are as follows:

Buildings and construction	20 years
Cars	4 years
Other plant, machinery and furniture	3 - 4
years Computers and IT equipment	3 years

Impairment method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary.

3.11 Right to use assets and lease debt

The Company applies the provisions of IFRS 16 for leases entered into by the Company in which it is a lessee.

At the inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In assessing whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company recognizes the right to use an asset and a lease liability at the inception of the lease. The right to use the asset is initially measured at the original amount of the lease liability, and comprises any lease payments made on or before lease commencement date, less any lease inducements received, any initial direct costs incurred by the lessee, and an estimate of the costs to be incurred by the lessee in dismantling and removing the asset to restore the asset to the condition required by the terms and conditions of the lease.

The right to use the asset is subsequently amortized using the straight-line amortization method from the inception date to the end of the lease term. In addition, the asset's right-of-use is periodically reduced by impairment losses or adjusted for certain lease liability remeasurements, if any. The provisions of IAS 36 Impairment of Assets are applied to determine whether assets representing rights of use are impaired and to account for identified impairment losses.

The lease liability is initially measured at the present value of the lease payments at that date. Lease payments shall be discounted using the interest rate implicit in the lease if that rate can be determined immediately. If that rate cannot be readily determined, the lessee shall use the lessee's marginal borrowing rate by analyzing its borrowings and making certain adjustments to reflect the terms of the lease.

the lease contract and the type of leased asset.

Lease payments included in the measure of lease liability comprise fixed payments.

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be due, if the Company changes its assessment that it will exercise an option to purchase, extend or terminate, or if there is a substantive revision to the lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use of the asset or is recognized in the profit or loss account if the carrying amount of the right of use of the asset has been reduced to zero.

For leases the Company separates the non-lease components and accounts for them in other operating expenses. The Company treated the VAT associated with operating lease payments as a tax levied on the Company and collected by the lessor, which acts as an agent of the taxing authority. Accordingly, VAT is neither a lease payment nor a non-lease component and is recorded by the Company as a liability to the government when the invoice containing the lease expense is received. It is reflected within other operating expenses.

Short-term and low-value leasing

The Company has elected not to recognize lease liabilities and rights of use for low-value and short-term (less than 12 months) leases. The Company recognizes payments related to these leases on a straight-line basis within other operating expenses over the lease term.

3.12 Impairment of non-financial assets

The residual value of an asset is the amount that the Company estimates it would obtain on disposal after deducting selling costs if the asset had already had the necessary useful life and was already in the condition expected for the end of its useful life. The residual value of an asset is zero if the Company expects to use the asset until the end of its useful life. Asset residual values and useful lives are reviewed and adjusted, where necessary, each reporting date.

Assets with indefinite useful lives are not depreciated and are reviewed annually for impairment losses. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. To calculate this loss, assets are grouped down to the lowest level of detail for which independent cash flows (cash-generating units) can be identified. Impaired non-financial assets other than goodwill are reviewed for possible reversal of impairment at the reporting date.

Goodwill impairment losses are not reversed. For other assets, impairment losses recognized in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. Impairment losses are reversed if there has been a change in the estimates used to determine the amount recoverable. The impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Corporate income tax

a. *Current profit tax*

The Company records its net income tax expense on the basis of its financial statements in accordance with International Financial Reporting Standards as adopted by the EU and relevant income tax legislation. Romanian tax legislation is based on fiscal years ending on December 31. For recording both current and deferred tax for the year ended, the Company has calculated an annual tax expense based on the Romanian tax legislation in force at the reporting date.

b. *Corporate tax postponed*

Deferred income tax is determined for those temporary differences arising between the tax base of assets and liabilities and the carrying amount determined for financial reporting purposes. Deferred income tax is determined using tax rates (and legislation) that have been enacted or substantively enacted at the reporting date and are expected apply when the deferred income tax recoverable is utilized or the deferred tax liability is settled. The tax rate for both current and deferred tax is 16%.

3.14 Trade and other receivables

Trade and other receivables are stated at cost less impairment losses calculated in accordance with IFRS 9. For the calculation of impairment losses on trade and other , the Company applies the simplified method, calculating expected losses over the life of the asset.

3.15 Loans

Borrowings, such as loans from banks and other financial institutions and bonds issued, are initially recognized at fair value, mainly as income arising from such instruments (fair value of consideration received), net of transaction costs incurred. Bonds issued and borrowings from banks and other financial institutions are subsequently carried at amortized cost. The Company classifies these instruments as financial liabilities or equity instruments in accordance with the contractual terms of the instrument.

3.16 Provisions

Provisions are recognized in the balance sheet when an obligation is incurred by the Company as a result of a past event and it is probable that it will be necessary to expend economic resources in the future to settle the obligation and a reasonable estimate of the amount of the obligation can be made. In determining the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the liability.

Provisions are reviewed at each period end and adjusted to reflect the most appropriate current estimate. Differences resulting from necessary adjustments are recognized in the income statement for the period.

A provision will only be recognized :

- The company has a current obligation arising from a past event;

- an outflow of resources is likely to be required to honor obligation; and
- a reliable estimate of the value of the obligation can be made.

If these conditions are not met, a provision is not recognized in the financial statements.

Where there are a number of similar obligations, the probability that an outflow of resources will be required to settle the obligation is determined by considering the entire class of obligations. The provision is recognized even if the probability related to any of the items included in the same class of obligations is low. Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a gross pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in interest expense.

3.17 Employee benefits

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

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are rendered.

The Company is not a member of any independent pension scheme and, consequently, has no other obligations in this respect. The Society is not engaged in any other post-retirement benefit scheme. The Society has no obligation to provide further service to former or current employees.

3.18 Share capital and reserves

The share capital shall be equal to the nominal value of the shares, i.e. the value of the contributed capital, premium reserves and embedded reserves or other operations that have led to its modification.

The subscribed and paid-up capital is recorded separately in the accounts, on the basis of the Company's incorporation documents and the supporting documents relating to the paid-up capital.

The legal reserves are established in accordance with the legal requirements in force, by allocating a minimum of 5% of the accounting profit, until the reserve fund reaches 20% of the entire subscribed and paid-up share capital. This reserve may not be distributed to shareholders. The allocation to the legal reserve is deductible in the calculation of the current corporate income tax, up to a limit of 5% applied to the accounting profit, before determining the corporate income tax, from which non-taxable income is subtracted and the expenses related to this non-taxable income are added.

If the legal reserve is used to cover losses or is distributed in any form, its subsequent reconstitution is no longer deductible in calculating taxable profit.

3.19 Real estate investment

A real estate investment is initially valued by the Company at cost. Transaction costs are included in the initial valuation.

After initial recognition, the Company uses the amortized cost model as its accounting policy.

The Company obtains appraisal reports to assess possible impairment of investment property. If an loss is determined, the Company recognizes an impairment adjustment.

Transfers to or from investment property are made when and only when there is a change in the use of that asset.

The carrying amount of an investment is recognized on disposal or when the investment is permanently retired and no future benefits are expected to flow from its disposal.

Gains or losses resulting from the disposal or sale of an investment property are recognized in the income statement at the date of disposal or sale.

3.20 Related parties

Parties in a special relationship with the Company include:

- companies which, directly or indirectly, through one or more intermediaries, control the institution, are controlled by the institution or, together with the credit institution, are under common control;

- companies in which the credit institution has significant influence and which are neither subsidiaries nor joint ventures of the credit institution;

- natural persons directly or indirectly holding voting rights in the institution which confer a significant influence on the institution, as well as their immediate family members;those persons in the management of the Company who have authority and responsibility for planning, directing and controlling the activities of 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 they hold;

- 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.

3.21 Commitments, contingent assets and liabilities

Off-balance-sheet transactions comprise commitments given and received representing rights and obligations, the effects of which are conditional on the occurrence of future transactions, as well as assets and transactions that cannot yet be recognized as assets or liabilities.

Contingent assets

A contingent asset is a possible asset that arises from past events 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. Contingent assets are not recognized in the statement of financial position, but are disclosed in the notes to the financial statements if it is probable that future economic benefits will flow to the entity.

If the realization of an income is virtually certain, the contingent asset is an asset and will be recognized on the balance sheet. Contingent assets are reviewed at each balance sheet date to determine whether there has been a change in circumstances that would require recognition of an asset and the related revenue. If the flow of economic benefits becomes certain, then the asset and the related income will be recognized in the financial statements in the period in which the change occurred.

Contingent liabilities

A contingent liability is:

- a possible obligation, which arises from past events and the existence of which will be confirmed by future events not wholly within the Company's control, or

- a present obligation that arises from past events but is not recognized because:
  - it is not certain that resources incorporating economic benefits will be needed to settle the debt or
  - the amount of debt cannot be measured credibly enough.

Contingent liabilities are not recognized in the statement of financial position. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits becomes probable. If an outflow of resources embodying economic benefits is probable for a previously recognized contingent liability, a provision will be recognized in the financial statements of the period in which the change occurs, unless a reliable estimate cannot be made, in which case a contingent liability will be disclosed below.

In the normal course of business, the Company has entered into irrevocable financing commitments to customers. The Company has no other guarantee commitments in favor of customers.

3.22 Significant accounting estimates and judgments used in applying accounting policies

The Company uses certain estimates and makes certain assumptions that affect the amounts at which assets and liabilities are recognized in the next financial year. Estimates and judgments are evaluated regularly and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In addition to past experience, the Company has also considered the effect of current financial industry conditions in evaluating these estimates and judgments.

Impairment losses on loans and advances

The Company analyzes its loan and advance portfolio quarterly to assess impairment (ECL). In determining whether an impairment loss should be recognized in the income statement, the Company makes judgments as to whether observable data exists that would indicate a decrease in a portfolio's estimated future cash flows. The methodology and assumptions used in estimating expected credit losses are reviewed periodically to minimize any differences between estimated losses and actual losses.

The measurement of expected credit losses is based on the requirements of IFRS 9 and results in the appropriate and timely recognition of ECL in accordance with the applicable accounting framework. The measurement of ECL occurs at the individual exposure level as well as at the collective portfolio level by grouping exposures based on similar credit risk characteristics.

Based on asset quality, exposures are categorized into 3 stages. Stage 1 includes performing loans and advances receivables, Stage 2 the performing portfolio showing a significant increase in credit risk since initial recognition, and Stage 3 financial assets at risk of default.

Expected credit losses take into account relevant factors and expectations at the reporting date that could affect the collectability of the remaining cash flows over the life of a group of exposures or a single exposure. The Company considers information beyond historical and current data and considers reasonable and supportable forward-looking information, including macroeconomic factors, that is relevant to the exposures measured in accordance with the applicable accounting framework.

Under the collective approach, expected credit losses are recognized either on an ECL basis at 12 months, or lifetime ECL, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The simplified approach does not require the tracking of changes in credit risk, but instead requires the recognition of a loss risk provision based on expected credit losses calculated over the entire lifetime from origination.

Collective analysis

The Company's exposures are subject to collective assessment. For the purpose of collectively determining expected credit losses, exposures in loans and advances are grouped based on credit risk characteristics in order to facilitate analysis that is designed to allow for the early identification of significant increases in credit risk.

The expected credit losses related to Stages 1, 2 and 3 differ due to the maximum residual maturity taken into account: for exposures classified in Stage 1, the 12-month horizon is considered as the ceiling, while for transactions classified in Stage 2 it is considered as the lifetime horizon, and for Stage 3 credit losses are calculated considering the exposure to be past due.

Key inputs in measuring ECL values include the following variables: probability of default (PD), LGD (loss given default) and exposure at default (EAD).

For exposures categorized in stage 3, transfer between stages is possible down to stage 1 for the remaining contractual life, if the default risk factors are no longer met.

3.23 New standards issued and amendments to existing ones New accounting regulations

At the date of approval of these financial statements, the following new standards and amendments to existing standards have been issued but are not yet effective:

- **Amendments to IAS 1 "Presentation of Financial Statements**" - Classification of Liabilities into Short-term and Long-term Liabilities (applicable for annual periods beginning on or after January 1, 2023);
- **Amendments to IAS 1 Presentation of Financial Statements** - Presentation of Accounting Policies (applicable for annual periods beginning on or after January 1, 2023);
- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors**" - Definition of Accounting Estimates (applicable for annual periods beginning on or after January 1, 2023);
- **Amendments to IAS 12 'Income Taxes**' - Deferred tax relating to receivables and payables arising from a single transaction (applicable for annual periods beginning on or after January 1, 2023);
- **Amendments to IAS 16 Property, Plant and Equipment** - Proceeds before expected use (applicable for annual periods beginning on or after January 1, 2022);
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** - Onerous Contracts - The Cost of Performing the Contract (applicable for annual periods beginning on or after January 1, 2022);
- **Amendments to various standards due to** the **"IFRS Improvements (2018- 2020 cycle)"** resulting from the annual IFRS improvements project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) with the main purpose to remove inconsistencies and clarify certain wording (amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after January 1, 2022. amendment to IFRS 16 refers to an illustrative example only, so no effective date is mentioned).

The Society has elected not to adopt new standards and amendments to existing standards prior to their effective dates. The Company's management assesses that the implementation these changes will not have a material impact on the financial statements.

4. Risk management policies

The company is exposed to the following risks as a result using financial instruments:

a. Credit risk
b. Interest rate risk
c. Currency risk
d. Liquidity risk
e. Fiscal risk
f. Operational risk

This note sets out information about the Company's exposure to each of the above-mentioned risks, the Company's objectives, policies and processes for assessing and managing risk.

Risk management framework

The Board of Directors is responsible for establishing and overseeing the overall risk management framework and has the following duties: to approve and review the risk profile for each significant risk; to choose a specific risk profile, setting the objective and strategy for each significant risk; to approve the significant risk management policies; to review them periodically, at least once a year, and revise them, if necessary, to ensure that measures are in place to identify, assess, monitor and control risks, including outsourced activities; to approve the procedures for the duties and responsibilities related to risk management.

Management ensures implementation of risk management strategies and policies.

The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring risk management policies in their areas of competence.

The Society's risk management policies are established to identify and analyze the risks facing the Society, to establish appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions, products and services offered. The Company, through training and management standards and procedures, seeks to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Society's Audit Committee is responsible for monitoring compliance with risk management policies and procedures and assessing the adequacy of the risk management framework for the risks it faces. The Society's Audit Committee is assisted in these activities by internal audit. Internal Audit conducts both regular and ad hoc reviews of risk management controls and procedures, the outcome of which is reported to the Audit Committee.

4.1 Credit risk

The Company is exposed to credit risk through its trading, lending and investment activities.

Credit risk associated with trading and investment activities is managed through market risk management processes. The risk is mitigated by selecting partners with sound financial performance, monitoring their activities, using trading limits, and using exposure and, where necessary, by requiring collateral.

The Company's largest exposure to credit risk arises from granting loans and advances to customers. In these cases, the exposure is represented by the carrying amount of the assets in the individual statement of financial position. The Company is exposed to credit risk on various other financial assets, including debt instruments, where the exposure on these instruments is equal to their carrying amount reported in the separate statement of financial position.

In order to minimize risk, the Company has certain procedures designed to evaluate customers before granting loans, to monitor their ability to repay the principal and related interest during the term of the loans and to set exposure limits. Credit risk is monitored and controlled by the Risk Management Department, which has, inter alia, the following responsibilities:

- *Formulate credit policies* in collaboration with business units, credit assessment, risk categorization and reporting, documentation and legal procedures, and compliance with regulatory and statutory requirements;
- *Establishing the authorization structure* for the approval and renewal of credit facilities. Authorization limits are allocated on three decision levels. Large facilities require Management approval;
- *Limit exposure concentrations* to counterparties, geographies and industries;
- *Analyze* business units' *compliance* with agreed exposure limits, including those for selected industries and product types;
- Regular reporting to Management and the Board of Directors on the quality of portfolios and proposing/taking appropriate corrective actions.
- *Providing expert advice and guidance* to promote best practice in credit risk management

Concentration of credit risk related to financial instruments exists for groups of customers or other third parties with similar economic characteristics and whose ability to repay loans is similarly affected by changes in the economic environment. The main concentration of credit risk arises from individual and categorized customer exposures in respect of loans and advances granted by the Company.

Counterparties are valued and classified into rating/valuation categories differentiated according to their status, due to the specific characteristics of their activity and sources of repayment.

Under IFRS 9, the Company's expected credit loss (ECL) model is based on several assumptions underlying the choice of variable inputs and the interdependencies between them that affect the level of adjustments:

- the defined criteria (in both relative and absolute terms) for assessing the significant increase in credit risk since initial recognition and, consequently, in calculating lifetime expected credit losses
- pooling of financial assets for the collective valuation of ECL
- ECL model development, including the different formulas and choice of input data
- macroeconomic scenarios incorporated in the ECL calculation

In measuring the credit risk of loans and advances to customers and banks at the counterparty level, the Company reflects three components (i) the "probability of default" by the customer or counterparty on its contractual obligations; (ii) the current exposures to the counterparty and its likely future evolution, from which the Company derives the "exposure at default"; and (iii) loss due to the risk of default.

Exposure to credit risk is managed by regularly reviewing the ability of borrowers or potential borrowers to honor principal and interest repayment obligations and by modifying these borrowing limits where necessary.

Credit quality analysis

Exposures in the nature of loans granted to customers are further analyzed according to their risk classification.

LEI	**December 31, 2024**			
Loans and advances granted to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
- legal persons	-	-	-	-
- individuals	16,114,402	757,612	2,454,932	19,326,946
of which restructured	-	-	-	-
Total net loans and advances granted clientele	**16,114,402**	**757,612**	**2,454,932**	**19,326,946**

LEI	**December 31, 2023**			
Loans and advances granted to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
- legal persons	-	-	-	-
- individuals	10,337,863	664,588	1,930,220	12,932,671
of which restructured	-	-	-	-
Total net loans and advances granted to customers	**10,337,863**	**664,588**	**1,930,220**	**12,932,671**

Identifying and measuring impairment under IFRS 9

To assess the stages of exposures and to measure expected credit losses (ECL) on a collective basis, it is important to group exposures into segments/risk factors based on similar credit risk characteristics. For assessing adjustments, different segmentations and risk factors allow for the reflection of differences in probability of default (PD), better differentiation and thus could lead to a more appropriate calculation of ECL.

The risk factors taken into account demonstrate payment behavior that is clearly different:

- Customer Type / Credit Score
- Probability of default
- Days of delay
- Product type

The final selection of risk factors requires further analysis to determine whether it is relevant, and whether the resulting segments are representative at the loan portfolio level, whether there is sufficient differentiation, and whether it is supported by sufficient data.

Thus, following the risk analysis and the homogeneity of the segments, the Company concluded on the character of the portfolio and proceeded to its structuring into segments by Credit Score (>750, >650, >550, <550) to determine risk parameters.

Each of these segments has been sub-segmented in relation to the number of days of delay into 3 sub-categories (0 dpd/ 1-30 dpd / 30+ dpd).

Current and non-disbursed loans

Current and non-impaired loans are those exposures that are not past due on interest or principal payments and for which the Company has not identified objective evidence of impairment. These exposures are collectively analyzed for recorded but unidentified impairments.

Loans outstanding and not depreciated

Overdue and non-performing loans are those exposures that, although past due on interest or principal payments, do not show objective evidence of losses. These exposures are considered uncollateralized taking into account the fact that the Company estimates the full recovery of amounts due from customers based on the degree of collateralization and the stage/expectations of collection. These exposures are collectively analyzed for recorded but unidentified impairments.

Impaired loans

Impaired loans comprise exposures for which the Company has identified objective evidence of impairment and for which the Company believes it is probable that it will not be able to collect the full principal and interest due in accordance with the contractual terms of the loan agreement.

Concentration of credit risk

Major concentrations of credit risk occur depending on the type of customer in relation to loans. The concentration of credit risk related to financial instruments is analyzed both at portfolio level and for customer segments that present similar economic characteristics and whose repayment capacity is similarly affected by changes in the economic environment. The main concentration of credit risk arises from individual customer segment exposures to loans.

The table below presents the quality analysis of loans and advances to customers at December 31, 2023 and December 31, 2024:

	December 31, 2024			
Loans and advances granted to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross exposure	18,875,338	1,322,651	15,910,589	36,108,578
(-)impairment losses	(2,760,935)	(565,039)	(13,455,658)	(16,781,632)
Total net loans and advances granted to customers	**16,114,402**	**757,612**	**2,454,931**	**19,326,946**

	December 31, 2023			
Loans and advances granted to customers	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross exposure	12,136,055	1,147,602	13,708,928	26,992,584
(-)impairment losses	(1,798,192)	(483,014)	(11,778,707)	(14,059,913)
Total net loans and advances granted to customers	**10,337,863**	**664,588**	**1,930,220**	**12,932,671**

The exposures in the nature of loans granted to customers are further analyzed according to their classification in bands of days overdue.

	December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	16,732,501			16,732,501
Overdue up to 30 days	2,143,331			1,322,650
Overdue between 31- 90 days		1,322,650		2,143,331
Remaining> 90			15,910,096	15,910,096
(-)impairment losses	**(2,760,935)**	**(565,039)**	**(13,455,658)**	**(16,781,632)**
Total net loans and advances granted to customers	**16,114,897**	**757,611**	**2,454,438**	**19,326,946**

	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Current	10,953,247			10,953,247
Overdue up to 30 days	1,182,808			1,172,672
Overdue between 31- 90 days		1,147,602	25,070	1,182,808
Remaining> 90			13,683,858	13,683,858
(-)impairment losses	**(1,798,192)**	**(483,014)**	**(11,778,707)**	**(14,059,913)**
Total net loans and advances granted to customers	**10,337,863**	**664,588**	**1,930,221**	**12,932,671**

4.2 Liquidity risk

Liquidity risk is generated by the management policy of the resources attracted and asset positions. It includes both the risk that the Company will encounter difficulties in raising the funds necessary to refinance the assets when they fall due and the risk resulting from the inability to collect an asset at an amount approximating its fair value within a reasonable period of time.

Liquidity risk is the risk of incurring losses or not realizing estimated profits, which would result from the Company's inability to meet its payment obligations at all times, without incurring costs or losses that cannot be borne by the Company.

The purpose of liquidity risk management is to enable the Company, even in adverse market conditions, to meet its maturing payment obligations on time and to finance its asset growth and strategic opportunities.

For the current monitoring of the liquidity situation, the Company analyzes current liquidity reserves to cover short-term needs and the projection of future liquidity flows by maturity bands to cover medium and long-term needs. The monitoring of needs is performed on a daily basis, while the analysis of medium-term future flows is performed on a quarterly basis, with monthly reviews. For long-term cash flow forecasting, the analysis and forecast is prepared annually.

The Company's main source of financing is represented by loans from credit institutions, shareholders and other entities, securing long-term sources of financing. The loan agreements provide for the repayment of the principal in installments or at the end of the lending period. The Company is not exposed to significant liquidity risk.

The company uses most of the funds raised to grant new loans. The asset and liability structure has been analyzed based on the remaining period from the balance sheet date to the contractual maturity date.

The Company's financial assets and liabilities analyzed on the basis of the period remaining until the contractual maturity date, based on future cash flows, are as follows:

Contractual future cash flows

31.12.2024	Value	< 1 years	1 and 3 years	> 3 years	Total
Numar and cash equivalents from	2.908.435	2.908.435			2.908.435
Loans granted	19.326.946	17.528.702	1.798.244		19.326.946
Total	**22.235.382**	**20.437.138**	**1.798.244**	**0**	**22.235.382**
Loans from banks	1.017.009	-	1.017.009		1.017.009
Loans from other institutions	6.001.920	6.001.920	-	-	6.001.920
Subordinated loans	20.858.516			20.858.516	20.858.516
Leasing	155.885	155.885			155.885
Other current liabilities	883.257	883.257	-	-	883.257
State budget debts	182.470	182.470			182.470
Total	**29.099.056**	**7.223.532**	**1.017.009**	**20.858.516**	**29.099.056**
Net liquidity	**(6.863.675)**	**13.213.606**	**781.235**	**(20.858.516)**	**(6.863.675)**

Contractual future cash flows

31.12.2023	Value	< 1 year	1 and 3 years	> 3 years	Total
Numerar yes equivalent de numerar	6,003,854	6,003,854			6,003,854
Loans granted	12,932,671	12,932,671			12,932,671
Total	**18,936,525**	**18,936,525**	**0**	**0**	**18,936,525**
Loans from banks	3,457,687	3,056,087	401,600		3,457,687
Loans from other institutions	2,526,956	2,526,956	-	-	2,526,956
Subordinated loans	17,892,428			17,892,428	17,892,428
Leasing	26,614	26,614			26,614
Other current liabilities	927,037	927,037	-	-	927,037
State budget debts	114,897	114,897			114,897
Total	**24,945,618**	**3,193,904**	**401,600**	**17,892,428**	**24,945,618**
Net liquidity	**(6,009,094)**	**15,742,621**	**(401,600)**	**(17,892,428)**	**(6,009,094)**

The Company is exposed to the effect of fluctuations in the level of interest rates mainly due to foreign currency borrowings. Interest rates may increase as a result of changes in the economic environment or as a result of the Company's financial position and may result in losses in the event of unforeseen changes.

The company is exposed to interest rate risk with regard to the financing line from TBI Bank EAD SOFIA in the amount of RON 2,000,000 and EUR 770,000, for which a variable interest rate has been agreed.

The Corporation shall manage interest rate risk in a transparent and responsible manner by taking asset-liability positions that result in the offsetting of income and losses that may arise from market fluctuations in interest rates.

Thus, in order to protect against adverse changes in interest rates, the Company's management regularly monitors exposure to interest rate changes.

Interest rates for the national and main foreign currencies were as follows:

Currency	Interest rate	31.12.2024	31.12.2023
RON	ROBOR 3 months	5,92%	6,22%
EUR	EURIBOR 3months	2,92%	3,93%

4.3 Currency risk

The company operates in a developing economy. Romania is going through a period characterized by a fluctuation of the national currency. Under these circumstances, there is a risk of a decrease in the value of net monetary assets held in RON.

The company is exposed to fluctuations in foreign exchange rates through the liability arising from foreign currency denominated borrowings or trade payables.

The Company's assets and liabilities in lei and in foreign currency can be analyzed as follows:

31.12.2024	RON	EUR	USD	GBP	Total
Cash and cash equivalents	2.815.303	93.133	0		2.908.435
Loans granted (gross)	28.467.784				28.467.784
Other assets	2.472.441				2.472.441
Investments in related parties	5.905.376				5.905.376
Total assets	**39.660.904**	**93.133**	**0**	**0**	**39.754.036**
Loans from banks	208.333	808.676			1.017.009
Loans from other institutions	3.420.340	2.581.580			6.001.920
Subordinated loans	11.419.285	9.439.231			20.858.516
Other current liabilities	883.257				883.257
Other tax debts	139.861				139.861
Current corporate income tax liabilities	42.609				42.609
Leasing debts		155.885			155.885
Total debts	**16.113.685**	**12.985.371**	**0**	**0**	**29.099.056**
Net position	**23.547.218**	**-12.892.239**	**0**	**0**	**10.654.980**

The Company's assets and liabilities in lei and in foreign currency can be analyzed as at 31.12.2023 as follows:

31.12.2023	**RON**	**EUR**	**USD**	**GBP**	**Total**
Cash and cash equivalents	5,987,917	15,758	179		6,003,854
Loans granted (gross)	20,938,955				20,938,955
Other assets	2,641,059				2,641,059
Investments in related parties	5,905,376				5,905,376
Total assets	**35,473,308**	**15,758**	**179**	**0**	**35,489,244**

Loans from banks	708,333	2,749,353			3,457,687
Loans from other institutions	913,377	1,613,579			2,526,956
Subordinated loans	8,452,242	9,440,186			17,892,428
Other current liabilities	927,037				927,037
Other tax debts	64,959				64,959
Current corporate income tax liabilities	49,938				49,938
Leasing debts	26,614				26,614
Total debts	**11,142,501**	**13,803,118**	**0**	**0**	**24,945,618**
Net position	**24,330,807**	**-13,787,360**	**179**	**0**	**10,543,626**

In assessing foreign exchange risk the Company quantifies the impact of changes in exchange rates on net trading income. At 12.31.2023 and 12.31.2024 the potential gain or loss due to exchange rate changes is presented as follows:

	31.12.2024	**31.12.2023**
Net position EUR	-12.892.239	-13.787.360
Max Course Variation	2,60%	2,60%
Max Stressed Variation by 20%	3,10%	3,10%
Net assets	2.736.901	2.693.498
Impact in Result	-399.659	-427.408
Percentage of Net Assets	15%	-16%

4.4 Fiscal risk

The tax legislation in Romania provides detailed and complex rules which have undergone various changes in recent years. The interpretation of the text and practical procedures for implementing tax legislation may vary and there is a risk that certain transactions, for example, may be interpreted differently by the tax authorities compared to the treatment of the Company. The Company's management believes that the tax liabilities included in these financial statements are correct.

The Romanian government has a number of agencies that are authorized to conduct audits of companies operating in Romania. These audits are similar in nature to the tax audits conducted by the tax authorities of many other countries and may extend, not only to tax matters, but also to other legal and regulatory matters in which the applicable agency may have an interest. The Company may continue to be subject to regular audits as new laws and regulations are issued. The Company's management believes that the Company will not be materially adversely affected by a tax audit. However, the impact of different interpretations by the tax authorities cannot be accurately estimated.

4.5 Operational risk

Operational risk refers to the risk of incurring losses or not realizing expected profits, which may be caused by internal factors (inadequate performance of internal activities, unprepared staff, inadequate systems, etc.) or external factors (economic conditions, changes in

Operational risk could come from sources such as those below:

- Using information systems;
- Implementation of processes and procedures;
- Human resources adequacy;
- Information security incidents;
- Fraud incidents;
- Outsourcing services;
- Aspects of non-compliance.

Operational risk management involves the following:

- Implement processes and procedures that take into account the business model;
- Processes are appropriate to the volume of activity;
- Processes are documented by procedures, and these include pre-defined limits of competences;
- Activities are supported by a team of staff with relevant skills and experience;
- The IT systems used are adequate and controls are in place to ensure the traceability of the information processed and the quality of the data.

5. Fair values of financial assets and liabilities

Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an arm's length transaction between participants at the measurement date. The determination of fair value is based on the assumption that the transaction to sell the asset or transfer the liability occurs either:

- on the main market for the asset or debt, or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities that have not been disclosed at fair value in the Company's financial statements.

31.12.2023	**Level 1**	**Level 2**	**Level 3**	**Value fair t**	**Value accountan**
Financial assets					
Numar and equivalents from cash	-	6,003,854		6,003,854	6,003,854
Loans granted to clients	-	-	12,932,671	12,932,671	12,932,671
Investments in related parties			5,905,376	5,905,376	5,905,376
Total	**-**	**3,628,415**	**18,838,047**	**24,841,901**	**24,841,901**
Financial debts					
Loans from banks	-	-	3,457,687	3,457,687	3,457,687
Other loans	-	-	2,526,956	2,526,956	2,526,956
Subordinated loans	-	-	17,892,428	17,892,428	17,892,428
Total	**-**	**-**	**23,877,070**	**23,877,070**	**23,877,070**

31.12.2024	Level 1	Level 2	Level 3	Amount fair	Amount accountant
Financial assets					
Cash and cash equivalents	-	2.908.435		2.908.435	2.908.435
Loans granted to clients	-	-	19.326.946	19.326.946	19.326.946
Investments in related parties			5.905.376	5.905.376	5.905.376
Total	**-**	**2.908.435**	**25.232.322**	**28.140.758**	**28.140.758**
Financial debts					
Loans from banks	-	-	1.017.009	1.017.009	1.017.009
Other loans	-	-	6.001.920	6.001.920	6.001.920
Subordinated loans	-	-	20.858.516	20.858.516	20.858.516
Total	**0**	**0**	**27.877.445**	**27.877.445**	**27.877.445**

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized in the fair value hierarchy, described as follows, based on the lowest level of value that is significant to the fair value measurement in the financial statements as a whole:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities, Level 2 - Valuation techniques for which the lowest level is observable either directly or indirectly is significant to the fair value measurement,
Level 3 - Valuation techniques for the lowest level input that is significant to the fair value measurement is unobservable.

The Company has classified financial assets in Level 2 of the fair value hierarchy as cash and cash equivalents.

Level 3 instruments include Receivables under finance leases, Loans granted to customers, Long-term and current loans, Trade payables, Trade receivables.

(a) Finance leasing receivables, Loans granted to customers

Finance lease receivables and loans to customers are shown net of expected credit losses. Their estimated fair value represents the present value of future cash flows expected to be received from active contracts. Expected cash flows are discounted using interest rates differentiated by product type.

(b) , liabilities related to the right of use of assets

The Company has approximated the fair value of the right-of-use liabilities be equal to their carrying amount at the reporting date.

The estimated fair value of borrowings is the present value of the future cash flows expected to be paid on active contracts. Expected cash flows are discounted using interest rates differentiated by product type.

6. Net interest and commission income

	2023	2024
Interest income	7,611,458	12,370,994
Interest expenses	(2,126,782)	(3,248,475)
Net interest income	**5,484,676**	**9,122,518**
Commission income	6,527,132	6,225,310
Commission expenses	(539,295)	(574,525)
Net commission and fee income	**5,987,837**	**5,650,787**
Total net revenue	**14,472,513**	**14,773,305**

7. Expenditure on salaries

	2023	2024
Employee allowances and salaries	674,121	1,055,522
Social insurance contribution	15,061	23,727
Total	**689,182**	**1,079,249**
Average number of employees	8	8
No employees at the end of the year	7	9

8. Amortization expenses

	2023	2024
Amortization of intangible fixed assets	75,359	40,728
Depreciation of tangible fixed assets	26,830	59,174
Amortization of rights use assets	54,844	59,697
Total	**157,033**	**159,599**

9. Operating expenses

	2023	2024
Direct operating expenses	**2,218,198**	**2,477,743**
Expenditure on providers and consultancy	*1,376,900*	*1,285,475*
Bureau de Credite SA	*84,682*	*114,592*
Expenses Electronic Signature	*2,273*	*2,042*
IT services expenses	*469,710*	*734,468*
Communication expenses	*112,846*	*193,026*
Debt recovery expenses	*171,788*	*148,141*
Other information systems maintenance expenses	**1,100,416**	**5,243,353**
Marketing expenses	**1,733,566**	**2,096,840**
Marketing consultancy	*128,700*	*-*
Credit intermediation and advertising expenses	*1,604,866*	*2,096,840*
Administrative expenses	**813,161**	**996,018**
Rent expenditure	*105,184*	*61,589*
Financial consultancy	*275,265*	*272,989*
Legal advice	*8,586*	*10,202*
Travel expenses	*79,724*	*110,603*
Recruitment/training expenses	*104,584*	*223,585*
Other administrative expenditure	*239,818*	*317,050*
Total	**5,865,341**	**10,813,954**

In the year 2024 the expenses related to the statutory audit amounted to 41,422 RON.

10. Cash and cash equivalents

READ	**2023**	**2024**
House in lei	3,743	45,515
Current accounts , of which:	**1,994,083**	**1,357,909**
in RON	1,978,147	1,264,584
in EUR	15,758	93,133
in USD	179	193
Term deposits in lei	4,006,027	1,505,
Total	**6,003,854**	**2,908,**

Deposits with banks are permanently available to the Company and are not restricted.

11. Loans and advances granted to customers

	2023	**2024**
Loans and advances granted to customers (gross)	**20,938,955**	**28,467,784**
Adjustments for impairment of financial assets	-9,338,963	-11,115,681
Other claims on customers	***6,053,629***	***7,640,794***
Adjustments for impairment of receivables related to financial assets	*-4,720,950*	*-5,665,951*
Loans and advances granted to customers at amortized cost	**12,932,671**	**19,326,946**

12. Tangible fixed assets

READ	Means transportation	Technological equipment	Measuring , control and adjustment	Furniture, office equipment	Total
Cost					
Balance at January 1, 2024	-	24,200	163,984	87,058	275,242
Acquisitions	180,000			39,775	219,775
Exits	-				-
Balance at December 31, 2024	**180,000**	**24,200**	**163,984**	**126,833**	**495,017**
Accumulated amortization					
Balance at January 1, 2024	-	20,405	163,984	52,857	237,246
Amortization expense	27,375			31,799	59,174
Depreciation allowances related to retirements	-				-
Balance at December 31, 2024	**27,375**	**20,405**	**163,984**	**84,656**	**296,420**
Net book value Balance at					
January 1, 2024	**-**	**3,795**	**-**	**34,201**	**37,996**
Balance at December 31, 2024	**152,625**	**3,795**	**-**	**42,177**	**198,597**

LEI	Equipment	technological	Appliances measuring, control if tune	Furniture, Construction apparatus office	Total
Cost					
Balance at January 1, 2023	-	24,200	163,984	91,495	279,679
Procurement and improvements				14,532	14,532
Outgoing	-			(18,969)	(18,969)
Balance at December 31	**-**	**24,200**	**163,984**	**87,058**	**275,242**
Accumulated amortization					
Balance at January 1, 2023	-	20,405	163,984	45,035	229,424
Amortization expense				26,830	26,830
Depreciation allowances related to retirements	-			(19,008)	(19,008)
Balance at December 31, 2023	**-**	**20,405**	**163,984**	**52,857**	**237,246**
Net book value					
Balance at January 1, 2023	**-**	**3,795**	**-**	**46,460**	**50,255**
Balance at December 31, 2023	**-**	**3,795**	**-**	**34,201**	**37,996**

13. Active right of use Right

of use

READ	Means transportation
Balance at January 1, 2024	29,631
Purchasing	219,765
Out	-
Amortization expenses	(59,697)
Balance at December 31, 2024	**189,699**

READ	Means of transportation
Balance at January 1, 2023	195,676
Procurement	
Out	(124,560)
Amortization expenses	(41,485)
Balance at December 31, 2023	**29,631**

14. Intangible fixed assets

READ	2023	2024
Balance at January 1	2,108,807	986,708
Procurement	777,295	786,662
Sales	(1,823,923)	-
Intangible assets in progress	18,566	-
Transfer from assets under construction	(94,037)	-
Balance at December 31	**986,708**	**1,773,370**
Accumulated amortization		
Balance at January 1	603,969	989,179
Amortization expense	756,853	40,729
Accumulated amortization and depreciation	(462,643)	-
Balance at December 31	**898,179**	**938,907**
Net book value		
Balance at January 1	**1,504,838**	**88,529**
Balance at December 31	**88,529**	**834,463**

15. Other assets

READ	2023	2024
Net sundry receivables	1,819,906	1,819,906
Customer receivables	268,364	53,233
Expenses paid in advance	535,012	587,689
Other assets	17,777	11,959
Total other assets	**2,641,059**	**2,472,441**

16. Investments in related parties

The Company has decided by the Board of Directors' Report of December 2023 to convert the claim in the amount of RON **5,905,376** held on Volt Finace SA, by participating in the share capital increase of Volt Finance SA with a number of 10,600 registered shares with a par value of RON 10 each and a total nominal value of RON 106,000, which have an issue value of RON 5,905,376. The difference between the issue value of the shares and their nominal value, in the amount of 5.799.376 lei will represent for Ocean Credit IFN S.A. investment in Volt Finance SA, and for the latter, capital premiums. Thus the Company becomes a shareholder with 8.91% of the share capital and participation in profits and losses of Volt Finance SA.

17. Amounts owed to credit institutions and other loans

READ	**2023**	**2024**
Loans from credit institutions	3,421,563	1,006,261
Debts related to loans from credit institutions	36,124	10,748
Subtotal	**3,457,687**	**1,017,009**
Other loans	2,513,579	5,920,400
Debts related to other loans	13,377	81,520
Subtotal	**2,526,956**	**6,001,920**
Total	**5,984,642**	**7,018,929**

Borrowings from credit institutions represent contracts signed with TBI Bank of the line of credit type with installments due within 24 months.
Other loans shows the balance of loans received from Oc Global Limited detailed in note 22.

18. Subordinated loans

Bonds

In July 2021 the Company issued a total of 18,668 registered, dematerialized, unsecured, subordinated, non-convertible into shares, Euro-denominated bonds, nominal € 100/bond, maturing 5 years from the Issue Date and with the possibility of early redemption starting from the third year, with a fixed interest rate of 8.75% per annum, payable quarterly, with a total nominal value of € 1,866,800.

Type of :

Registered, dematerialized, unsecuritized, unsubordinated, subordinated, non-convertible in shares, denominated in euro;

Number of bonds: 18.668,

with the possibility to supplement the issue up to 30,000 bonds;

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.

Maturity Date: 5 years from the Issue Date.

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

READ	**2023**	**2024**
Bonds	9,235,806	9,285,650
Attached debts	152,767	153,581
Total	**9,440,186**	**9,439,231**

Subordinated loans

During 2024, the Company has attracted long-term financing from OC Global Limited in the amount of RON 3,000,000.

The contracts specify that early repayment of the subordinated loan is not possible and the borrower cannot declare early repayment unless the borrower becomes insolvent, in case of default on payment obligations.

The situation of subordinated loans is as follows:

READ	**2023**	**2024**
Subordinated loans	8,375,670	11,375,670
Attached debts	76,572	43,615
Total	**8,452,242**	**11,419,285**

19. Trade debts

READ	**2023**	**2024**
Sundry creditors	286,464	596,767
Creditor customers	-	-
Contributors	2,782	-
Total	**390,494**	**596,767**

20. Other debts

READ	**2023**	**2024**
Customer debts	352,377	211,499
Other debts	-	-
State budget debts	30,998	86,897
Expenses to be paid	250,000	-
Total	**633,375**	**298,396**

21. Share capital

The company has a subscribed and fully paid in cash share capital of RON 3,000,000, divided into 3,000,000 registered shares, numbered from 1 to 3,000,000, each with a nominal value of RON 1/share. Each share carries 1 voting right.

In June 2022 the shares held by OG Global Limited (Cyprus) in the amount of RON 2,990,000 were sold to OCH Fintech Designated Activity Company (Ireland) and the shares held by the shareholder Ionescu Augustin Dan in the amount of RON 10,000 to the transferee Ciorba Radu.
The Company's share capital structure as of December 31, 2024 is presented :

No. Crt.	Shareholders	Number of shares	Value of shares (RON)	Percentage
1	OCH Fintech Fintech Designated Activity Company (Ireland)	2,990,000	2,990,000	99,667%
2	Ciorba Radu	10,000	10,000	0,3333%
	Total	**3,000,000**	**3,000,000**	**100%**

22. Transactions with parties in special relationships

Entities are considered to be in a special relationship if one entity has the ability to control or significantly influence the operational and financial decision-making of the other party.

Naturally, some of the Company's transactions are established with third parties with which the Company has special relationships. These include purchases and the rendering of services, as well as the contracting of loans carried out under non-preferential terms and conditions.

Entities in special relationships with which the Company has had transactions are:
- OC Global Limited
- Annra Organization SRL
- Volt Finance SA
- The persons in charge of the management of the Society.

a) Receivables

Active	**2023**	**2024**
Investments in related parties Volt Finance SA	5,905,376	5,905,376
Amounts advanced OC Global Limited	71,917	71,917
Sundry accounts payable OC Global Limited	1,721,212	1,721,039
Total assets	**7,698,505**	**7,698,332**

b) Loans and other debts

Debts	**2023**	**2024**
OC Global Loans Limited	900,000	3,338,820
Subordinated loans OC Global Limited	8,375,670	11,375,670
Attached debts/interest	89,949	93,104

Sundry creditors OC Global Limited	34,822	-
Granting commission payable OC Global Limited	250,000	-
Total debts	**9,650,441**	**14,807,594**

In 2024, the Company borrowed from OC Global Limited 12-month loans of RON 700,000 and 24-month loans of RON 1,988,820.In June 2024, the Company repaid RON 250,000 of the outstanding balance of the loan of RON 900,000.

Thus the balance of short-term loans contracted from OC Global Limited as of December 2024 is RON 3,338,820.

The subordinated loan agreements signed in 2024 amounted to RON 3,000,000.

The balance of the subordinated loans received from OC Global Limited as of December 2024 is RON 11,375,670.

c) Expenditure

Expenditure	**2023**	**2024**
Interest expenses on loans OC Global Limited	599,263	1,904,427
License maintenance expenses OC Global Limited	1,100,416	609,710
Interest expenses on bonds Annra Organisations SRL	155,800	145,306
Expenditure on miscellaneous services Annra Organizations SRL	176,700	-
Total expenditure	**2,032,179**	**2,659,443**

Services rendered by OC Global Limited in the year 2024 in the amount of 609,710 RON represent maintenance services for the MyOcean lending platform.

d) Revenues

Revenues	**2023**	**2024**
Income from the sale of intangible fixed assets	1,696,438	-
Total revenue	**1,696,438**	**-**

In January 2023 the Company sold to OC Global Limited a license with a sales price of EUR 346,000, the RON equivalent of the proceeds of the sale being RON 1,696,348 at the date of transfer.

e) Transactions with key personnel

	2023	**2024**
Radu Ciorba's salary expenditure	36,900	43,800
Expenditure on salaries Ruslan David	36,900	42,300
Total	**73,800**	**86,100**

23. Corporate income tax

	2023	
Pre-tax profit/loss	776,782	83,641
Deductible items - legal reserve	38,839	4,182
Tax depreciation	144,434	112,431
Amounts in the nature of taxable income		
Non-deductible expenses	876,534	284,453
Taxable profit	1,470,043	251,481
Tax loss carried forward from previous year	(472,594)	-
Taxable profit after loss carry forward/ Tax loss	997,449	251,481
Income tax due	159,592	40,237
Tax credit (tax facilities-sponsorship)	31,918	-
Final corporate income tax, according to the corporate income tax return	127,674	40,237
Annual profit/loss	**649,108**	**43,404**

24. Contingent liabilities and commitments

READ	**2023**	**2024**
Credit commitments	2,308,663	3,913,592

25. Events after the balance sheet date

There are no significant events subsequent to the balance sheet date to report.

Deputy Managing Director
Ruslan David

Ace Cont Expert SRL
by: Elena Anton

CC **AUDIT & ASSURANCE SERVICES SRL**
Dimieni, Str. Straja, nr. 48, Jud. Ilfov
J23/5394/2018
CUI 40118413
ASPAAS FA629/648/21

Audit & Assurance
Services

INDEPENDENT AUDITOR'S REPORT

To the shareholders of OCEAN CREDIT IFN SA

1. Ann audited the accompanying individual financial statements of **OCEAN CREDIT IFN SA** (the "Company"), having its registered office in Bucharest, Calea Floreasca 112, Sector 1, identified by its unique tax registration code **34353350,** which comprise the balance sheet as at December 31, 2024, the profit and loss account, the statement of changes in equity and the cash flow statement for the year ended, and a summary of significant accounting policies included in the explanatory notes.

2. The separate financial statements as of December 31, 2024 are identified as follows:

- *Net ' 2,736,901 lei*
- *Profit for the year.* *43,404 lei*

In our opinion, the accompanying separate financial statements give a true and fair view5 of the financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law no. 82/1991, the NBR Order no. 27/2010 for the approval of the Accounting Regulations in accordance with IFRS Standards and with the accounting policies set out in the explanatory notes.

BOza pentr *R*'--"-*

3. We conducted our audit in accordance with the International Standards on Auditing (ISA), Regulation (EU) No 537/2014 of the European Parliament and of the Council of the European Parliament and of the Council as amended and supplemented ("the Regulation") and Law 162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending certain regulatory acts as amended and supplemented ("the Law"). Our responsibilities under those standards are described in detail in the section Auditor's responsibilities in an audit of financial statements in our report.

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

Independence

We are independent from the Company in accordance with the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants in conjunction with the professional ethical requirements relevant to the audit of financial statements in Romania, including the Regulation and the Law. We have fulfilled our professional ethical responsibilities under the IESBA Code and the ethical requirements of the Regulation and the Law.

Ann were engaged to audit the financial statements of Ocean Credit IFN IFN SA for the fiscal year 2024 on 05.02.2025.

In good faith and to the best of our knowledge,'' we declare that we have not provided other than audit services to the Company during the period from January 1, 2024 through December 31, 2024.

Key audit issues

4. Key audit matters are those matters that, based on our professional judgment, were of most significance to the audit of the financial statements for the current period. These matters have been addressed in the context of our separate audit of the financial statements taken as a whole, and in forming our opinion on them, and we do not express a separate opinion on these key matters.

For the matters described below, a description of how our audit has addressed those matters is set out. Ann carried out the responsibilities described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report, including in relation to these key matters. Accordingly, our audit included performing procedures designed to address our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters referred to below, are the basis for our audit opinion on the accompanying financial statements.

Recognition of ***interest and commission*** *income*

5. For the financial year 2024, interest income amounts to RON 12,370,994 and commission income amounts to RON 6,225,310, mainly from loans granted to customers. These revenues represent the main share of operating income, with direct infiuences in the company's profitability.

Due to the specific nature of the business, the significant volume of small individual transactions and related revenues, the recognition of interest and fee income is a key audit matter.
Interest income is computed by applying the effective interest rate to the gross carrying amount financial assets, except for financial assets that have become impaired, for which interest income is computed by applying the effective interest rate to their amortized cost, net of their estimated value. Provision for credit losses... The revenue recognition policy is detailed in Note 3.2 "Recognition of interest income and expenses" respectively 3.3 "Income and expenses from fees and commissions".

Our audit procedures included, among others:

- analysis of interest/fee data on loans granted and management control of interest and fee income,
- ann assessed whether the data used to calculate interest and commission income is complete and correct,
- we evaluated the mathematical formula used to recognize the interest applicable over the estimated life of the loan,
- ann assessed the accounting treatment applied by the Company in accordance with IFRS 15 "Revenue from Contracts with Customers",
- ann evaluated the interest and commission income, thus making its own estimate of income which it then compared with the Society's results.

Specific credit risk provisions for impairment of loans granted to customers

6. We have focused on this area because Management makes subjective judgments on estimating the size of losses on specific credit risk provisions. Financial asset impairment recognition policies are established in accordance with IFRS 9 "Financial Instruments".

Under IFRS 9, adjustments are measured on one of the following bases:

12-month ECL: resulting from possible default events occurring within 12 months of the reporting date and
ECL: arising from possible default events over the remaining life of a financial asset.

Under this approach, the Company determines whether the financial asset is in one of the following three stages to determine both the ECL it recognizes and how interest income should be recognized.

Stage 1: when credit risk has not materially increased since initial recognition. For these financial assets, the Company recognizes 12-month ECL and recognizes interest income on a gross basis (calculated based on the gross carrying amount of the financial asset before adjustment for ECL).

- Stage 2: when the credit risk has increased significantly since initial recognition. ECL is recognized over the lifetime but interest income continues to be recognized on a gross basis.

Stage 3: when **the** financial asset is impaired. This is effectively the point at which a default event has occurred. For these financial assets, the Company recognizes ECL over their lifetime.

The company has determined and recorded specific risk provisions. The policies for their determination are disclosed in note 3.7. "Impairment of financial assets".

Our auditing *procedures* included, among others:

- with regard to the policy for calculating specific credit risk provisions for impairment of loans and advances to customers, the adequacy of the main assumptions used in the Company's provisioning calculations with the principles and requirements of IFRS 9 "Financial Instruments" was assessed.
- ann assessed and tested on a sample basis the functioning and operational effectiveness of key controls over the data and calculations for the determination of specific credit risk provisions for impairment of loans and advances to customers.
- these include those controls performed by the Society's management to ensure that the lending process is carried out in accordance with internal policies, repayments are appropriately allocated to the correct loan balances and that days overdue are correctly calculated by the Society's system.

Other information - Administrators' ***Report***

7. Directors are responsible for the preparation and presentation of other information. That other information comprises the Directors' report but does not comprise the financial statements and the auditor's report thereon, nor the non-financial statement.

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

In connection with our audit of the financial statements for the year ended December 31, 2024, our responsibility is to read that other information and, in so doing, to consider whether that other information is materially inconsistent with the financial statements, or with the knowledge that we obtained during our audit, or appears to be materially misstated.

With regard to the Directors' Report, we have read and report that it has been prepared, in all material respects, in accordance with the requirements of Order no. 27/2010 of the NBR for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, paragraphs 11 - 12.

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

a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with the financial statements;
b) The directors' report identified above includes, in all material respects, the information required by Order no. 27/2010 of the NBR for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, item 12.

In addition, based on our knowledge and understanding of the Company and its environment obtained during our audit of the financial statements for the year ended December 31, 2024, we are required to report whether we have identified any material misstatements in the Directors' Report. We have nothing to report on this matter.

Management and governance responsibilities** for the **financial statements

8. The Company's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting regulations applicable in Romania, namely Accounting Law no. 82/1991, republished (Law no. 82/1991) and Order no. 27/2010 of the NBR for

approval of Accounting Rules in line with International Accounting Standards Financial Reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue a going concern, for disclosing, where appropriate, going concern matters and for the use of going concern accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Governance Officers are responsible for overseeing the financial reporting process of the Society.

***Auditor's responsibilities** in a financial audit*

11. Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement, if one exists. Misstatements can be caused by either fraud or error and are considered material if they could reasonably be expected, individually or in aggregate, to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an ISA audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion.

The risk of not detecting a significant distortion caused by fraud is higher than that of not detecting a material misstatement due to error, as fraud may involve secret deals, forgery, deliberate omissions, intentional misrepresentation, misrepresentation and avoidance of intem scrutiny.

- We consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of going concern accounting and determine, based on audit evidence obtained, whether there is a material uncertainty about events or conditions that may cast significant doubt about the Company's ability to continue a going concern. If we conclude that there is a material uncertainty, we should draw attention in the auditor's report to the related disclosures in the financial statements or, if such presentations are inadequate, to change our opinion. Our conclusions are based on evidence dc audit obtained by the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate on a going concern basis.
- We evaluate the presentation, structure and content of the financial statements, including the disclosures, and the extent to which the financial statements relate the underlying transactions and events in a manner that gives a true and fair view.

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

CC AUDIT & ASSURANCE SERVICES SRL
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J23/53 94/2018
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By Ms. Corizelia Nastase
Financial auditor registered in the electronic public register of financial auditors and audit firms
audit *ca* ni . AFî 8/î 34/20

B ucuresti, 30.04.2025

Autoritatea pentru Supravegherea Publică a
Activităţii de Audit Statutar (ASPAAS)
t fin nciar: MÂSTASE GORNELIA
Registrul Public Electronic: AF18/134/20