



OCN SEBO CREDIT SRL

Unaudited interim financial statements

prepared in accordance with IFRS, as adopted by
the EU (Regulation (EC) No 1606/2002) and IAS34

for the period ended 30 September 2023

Interim Financial Statements

Statement of Profit and Loss and Other Comprehensive Income

Continuing operations	Notes	01.01.2023 - 30.09.2023. MDL	01.01.2022 - 30.09.2022. MDL
Interest revenue	3	237 858 095	248 467 552
Interest expense	4	(25 358 756)	(20 174 218)
Net interest income		212 499 339	228 293 334
Fee and commission income related to finance lease activities	5	(265 856)	6 851 088
Impairment expense	6	(57 512 825)	(125 018 528)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	7	6 549 471	14 223 259
Expenses related to peer-to-peer platform services	8	(1 562 762)	(2 066 369)
Selling expense	9	(2 889 545)	(3 532 178)
Administrative expense	10	(66 814 861)	(73 392 854)
Other operating income		125 148	38 641
Other operating expense	11	(5 918 115)	(5 852 832)
Net foreign exchange result	12	11 044 406	7 232 781
Profit before tax		95 254 400	46 776 342
Corporate income tax	13	(10 165 000)	(12 850 000)
Deferred corporate income tax	13	(1 629 414)	9 801 159
Profit for the period		83 459 986	43 727 501

Statement of Financial Position

ASSETS

NON-CURRENT ASSETS	Notes	30.09.2023. MDL	31.12.2022. MDL
Intangible assets			
Internally generated intangible assets		17 211 923	18 874 511
Other intangible assets		58 314	58 314
Total intangible assets	14	17 270 237	18 932 825
Tangible assets			
Right-of-use assets		10 604 240	12 259 017
Property, plant and equipment		2 902 906	3 532 841
Leasehold improvements		299 379	405 037
Total tangible assets	15	13 806 525	16 196 895
Non-current financial assets			
Loans and advances to customers	16	184 984 311	10 207 791
Deferred tax asset		-	948 829
Total non-current financial assets		184 984 311	11 156 620
TOTAL NON-CURRENT ASSETS		216 061 073	46 286 340
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale	17	393 793	329 159
Total inventories		393 793	329 159
Receivables and other current assets			
Loans and advances to customers	16	204 768 306	394 915 734
Prepaid expense		1 662 503	1 827 668
Other receivables	18	6 531 510	3 018 180
Cash and cash equivalents	19	10 558 839	13 981 811
Total receivables and other current assets		223 521 158	413 743 393
TOTAL CURRENT ASSETS		223 914 951	414 072 552
TOTAL ASSETS		439 976 024	460 358 892

Statement of Financial Position

EQUITY AND LIABILITIES

EQUITY	Notes	30.09.2023.	31.12.2022.
		MDL	MDL
Share capital	20	4 200 000	4 200 000
Reserve		5 455 000	5 455 000
Retained earnings/(losses)		195 851 435	160 391 449
brought forward		112 391 449	100 979 713
for the period		83 459 986	59 411 736
TOTAL EQUITY		205 506 435	170 046 449
LIABILITIES			
Non-current liabilities			
Borrowings	21	30 938 146	53 696 996
Total non-current liabilities		30 938 146	53 696 996
Current liabilities			
Borrowings	21	168 546 595	202 016 900
Trade payable		22 839 175	21 871 307
Corporate income tax payable		2 214 998	337 577
Taxes payable		4 272 405	4 338 214
Other liabilities		1 146 559	2 043 735
Accrued liabilities		4 511 711	6 007 714
Total current liabilities		203 531 443	236 615 447
TOTAL LIABILITIES		234 469 589	290 312 443
TOTAL EQUITY AND LIABILITIES		439 976 024	460 358 892

Consolidated Statement of Changes in Equity

	Share capital MDL	Foreign currency translation reserve MDL	Retained earnings/ (Accumulated loss) MDL	Reserve MDL	Total equity attributable to Equity holders of the Parent Company MDL	Non controlling interest MDL	Total MDL
Balance at 01.01.2022	54 550 000	-	140 979 713	5 455 000	200 984 713	-	200 984 713
Profit for the period	-	-	59 411 736	-	59 411 736	-	59 411 736
Share capital increase/(decrease)	(50 350 000)	-	-	-	(50 350 000)	-	-
Dividends distribution	-	-	(40 000 000)	-	(40 000 000)	-	(40 000 000)
Balance at 31.12.2022.	4 200 000	-	160 391 449	5 455 000	170 046 449	-	220 396 449
Balance at 01.01.2023.	4 200 000	-	160 391 449	5 455 000	170 046 449	-	170 046 449
Profit for the reporting year	-	-	83 459 986	-	83 459 986	-	83 459 986
Dividends distribution	-	-	(48 000 000)	-	(48 000 000)	-	(48 000 000)
Balance at 30.09.2023.	4 200 000	-	195 851 435	5 455 000	205 506 435	-	205 506 435

Statement of Cash Flows

Cash flows to/from operating activities	01.01.2023 - 30.09.2023, MDL	01.01.2022 - 30.09.2022, MDL
Profit before tax	95 254 400	43 727 501
Adjustments for:		
Amortization and depreciation	10 630 555	11 170 961
Interest expense	25 358 756	20 174 218
Interest income	(237 858 095)	(248 467 552)
Loss on disposal of property, plant and equipment	2 109 185	2 578 011
Impairment expense	50 963 354	110 795 269
Loss from fluctuations of currency exchange rates	(11 044 406)	(7 232 781)
Operating profit before working capital changes	(64 586 251)	(67 254 373)
Decrease/(increase) in inventories	(64 634)	(729)
Increase in finance lease receivables, loans and advances to customers and other current assets	(40 309 896)	(36 320 605)
Increase in accrued liabilities	(1 496 003)	(1 270 487)
Increase/(decrease) in trade payable, taxes payable and other liabilities	(438 997)	84 753 535
Cash generated to/from operations	(106 895 781)	(20 092 659)
Interest received	237 858 095	248 467 552
Interest paid	(26 150 036)	(18 699 378)
Corporate income tax paid	(8 287 579)	(15 630 007)
Net cash flows to/from operating activities	96 524 699	194 045 508
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(8 686 782)	(8 941 571)
Net cash flows to/from investing activities	(8 686 782)	(8 941 571)
Cash flows to/from financing activities		
Proceeds from borrowings	85 345 190	95 749 087
Repayments for borrowings	(128 369 374)	(191 804 896)
Share capital (decrease)	-	(50 350 000)
Dividends paid	(48 236 705)	(40 000 000)
Net cash flows to/from financing activities	(91 260 889)	(186 405 809)
Effect of exchange rates on cash and cash equivalents		
Change in cash	(3 422 972)	(1 301 872)
Cash at the beginning of the year	13 981 811	14 998 888
Cash at the end of the year	10 558 839	13 697 016

Notes to the Financial Statements

1. Corporate information

OCN Sebo Credit SRL (hereinafter "the Company") is a company incorporated in Republic of Moldova on January 5, 2017 as a limited liability company, subject to general company law.

2. Summary of significant accounting policies

Basis of preparation

The interim financial statements for the period ended 30.09.2023 of the Company, to the best of the Directors' knowledge, prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

These interim financial statements for the period ended 30.09.2023. are prepared in accordance with IFRS, as adopted by EU (Regulation (EC) No 1606/2002) and IAS34.

The Company's interim financial statements and its financial result are affected by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The financial statements are prepared on a historical cost basis as modified by the recognition of financial instruments measured at fair value, except for inventory which is accounted in net realizable value and contingent consideration that has been measured at fair value.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

The Company's presentation currency is moldavian leu (MDL). The financial statements cover the period from 1 January 2023 till 30 September 2023. Accounting policies and methods are consistent with those applied in the previous years.

3. Interest revenue

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Interest income from loans and advances to customers	237 858 095	248 467 552
TOTAL:	237 858 095	248 467 552

4. Interest expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Interest expenses for loans from P2P platform investors	19 864 748	14 006 301
Interest expenses for bank liabilities and related parties	5 048 088	5 452 245
Interest expenses for lease liabilities	445 920	715 672
TOTAL:	25 358 756	20 174 218

5. Fee and commission income related to finance lease activities

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Revenue from contracts with customers recognized point in time:		
Income from penalties received	2 452 888	9 107 554
Income from commissions	132 123	1 097 984
TOTAL:	2 585 011	10 205 538

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Revenue from contracts with customers recognized point in time where the Group acted as an agent:		
Gross expenses from debt collection activities	(2 850 867)	(3 354 450)
TOTAL:	(2 850 867)	(3 354 450)
Total fees and commissions income:	(265 856)	6 851 088

6. Impairment expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Change in impairment	51 709 563	121 518 623
Written off debts	5 803 262	3 499 905
TOTAL:	57 512 825	125 018 528

7. Net gain/(loss) from de-recognition of financial assets measured at amortized cost

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Loans and advances to customers		
Loss arising from cession of loans and advances to customers receivables to non related parties	6 549 471	14 223 259
TOTAL:	6 549 471	14 223 259

8. Expenses related to peer-to-peer platform services

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Service fee for using P2P platform	1 562 762	2 066 369
TOTAL:	1 562 762	2 066 369

9. Selling expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Online marketing expenses	1 684 544	2 138 842
TV advertising	-	377 787
Radio advertising	330 573	396 197
Other marketing expenses	573 151	262 954
Total marketing expenses	2 588 268	3 175 780
Other selling expenses	301 277	356 398
TOTAL:	2 889 545	3 532 178

10. Administrative expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Employees' salaries	30 827 121	31 460 546
Management services	16 292 356	19 569 823
Amortization and depreciation	10 630 555	11 170 961
Communication expenses	2 095 607	2 359 048
Office and branches' maintenance expenses	1 642 594	1 865 333
Credit database expenses	1 163 369	1 312 052
Professional services	689 810	973 745
IT services	660 376	732 432
Bank commissions	640 731	1 206 116
Low value equipment expenses	467 928	246 400
Other personnel expenses	422 834	509 534
Transportation expenses	417 017	559 075
Business trip expenses	45 253	32 824
Employee recruitment expenses	44 363	13 266
Donations	4 775	305 856
Insurance expenses	4 667	
Expenses from disposal of rental fleet and other fixed assets	2 387	329 137
Other administration expenses	763 118	746 706
TOTAL:	66 814 861	73 392 854

11. Other operating expense

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Non-deductible VAT from management services	3 240 665	3 906 064
Provision expenses for possible withholding tax liabilities	2 453 152	1 797 974
Other operating expenses	224 298	148 794
TOTAL:	5 918 115	5 852 832

12. Net foreign exchange result

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Currency exchange gain	(11 646 435)	(8 168 546)
Currency exchange loss	602 029	935 765
TOTAL:	(11 044 406)	(7 232 781)

13. Corporate income tax

	01.01.2023. - 30.09.2023.	01.01.2022. - 30.09.2022.
	MDL	MDL
Current corporate income tax charge for the reporting year	10 165 000	12 850 000
Deferred corporate income tax due to changes in temporary differences	1 629 414	(9 801 159)
Corporate income tax charged to the income statement:	11 794 414	3 048 841

14. Intangible assets

	Internally generated intangible assets	Other intangible assets	TOTAL
Cost	27 517 691	58 314	27 576 005
Accumulated amortization	(9 428 846)	-	(9 428 846)
As at 1 January 2022	18 088 845	58 314	18 147 159
2022			
Additions	5 262 013	-	5 262 013
Amortization charge	(4 476 347)	-	(4 476 347)
Cost	32 779 704	58 314	32 838 018
Accumulated amortization	(13 905 193)	-	(13 905 193)
As at 31 December 2022	18 874 511	58 314	18 932 825
Cost	32 779 704	58 314	32 838 018
Accumulated amortization	(13 905 193)	-	(13 905 193)
As at 1 January 2023	18 874 511	58 314	18 932 825
9 months 2023			
Additions	2 400 949	-	2 400 949
Amortization charge	(4 063 538)	-	(4 063 538)
Cost	35 180 653	58 314	35 238 967
Accumulated amortization	(17 968 731)	-	(17 968 731)
As at 30 September 2023	17 211 923	58 314	17 270 237

15. Property, plant and equipment and Right-of-use assets

	Right-of-use premises	Right-of-use motor vehicles	Total Right-of-use assets	Rental fleet	Other property, plant and equipment	TOTAL
Cost	39 912 401	-	39 912 401	-	10 770 271	50 682 672
Accumulated depreciation	(20 487 819)	-	(20 487 819)	-	(5 317 514)	(25 805 333)
As at 1 January 2022	19 424 582	-	19 424 582	-	5 452 757	24 877 340
2022						
Additions	3 361 370	-	3 361 370	-	1 687 477	5 048 848
Disposals (cost)	(6 078 338)	-	(6 078 338)	-	(4 402 899)	(10 481 237)
Depreciation charge	(8 354 780)	-	(8 354 780)	-	(2 029 356)	(10 384 135)
Disposals (depreciation)	3 906 183	-	3 906 183	-	3 229 898	7 136 081
Cost	37 195 433	-	37 195 433	-	8 054 849	45 250 283
Accumulated depreciation	(24 936 416)	-	(24 936 416)	-	(4 116 971)	(29 053 387)
As at 31 December 2022	12 259 018	-	12 259 018	-	3 937 878	16 196 896
Cost	37 195 433	-	37 195 433	-	8 054 849	45 250 283
Accumulated depreciation	(24 936 417)	-	(24 936 417)	-	(4 116 971)	(29 053 388)
As at 1 January 2023	12 259 017	-	12 259 017	-	3 937 878	16 196 895
9 months 2023						
Additions	4 545 695	-	4 545 695	-	1 740 138	6 285 833
Disposals (cost)	(4 481 720)	-	(4 481 720)	-	(2 861 011)	(7 342 731)
Depreciation charge	(5 438 920)	-	(5 438 920)	-	(1 128 097)	(6 567 017)
Disposals (depreciation)	3 720 168	-	3 720 168	-	1 513 377	5 233 545
Cost	37 259 408	-	37 259 408	-	6 933 976	44 193 385
Accumulated depreciation	(26 655 169)	-	(26 655 169)	-	(3 731 691)	(30 386 860)
As at 30 September 2023	10 604 240	-	10 604 240	-	3 202 285	13 806 525

16. Loans and advances to customers

	Non-Current 30.09.2023. MDL	Current 30.09.2023. MDL	Non-Current 31.12.2022. MDL	Current 31.12.2022. MDL
<i>Loans and advances to customers, net</i>				
Loans and advances to customers	218 120 109	246 552 743	63 353 119	417 288 987
Accrued interest	-	34 224 744	-	36 285 822
Fees paid and received upon loan disbursement	(456 801)	(516 351)	(123 637)	(814 360)
Impairment allowance	(32 678 997)	(75 492 830)	(53 021 691)	(57 844 715)
	184 984 311	204 768 306	10 207 791	394 915 734

17. Finished goods and goods for resale

	30.09.2023. MDL	31.12.2022. MDL
Other inventory	393 793	329 159
TOTAL:	393 793	329 159

This non-financial asset is not impaired as of 30.09.2023. (31.12.2022.: 0 MDL).

18. Other receivables

	30.09.2023. MDL	31.12.2022. MDL
CIT paid in advance	23 592	23 592
Advances to employees	183 493	220 851
Other debtors	7 884 986	4 400 370
Impairment allowance for 'Other debtors'	(1 560 561)	(1 626 633)
TOTAL:	6 531 510	3 018 180

19. Cash and cash equivalents

	30.09.2023. MDL	31.12.2022. MDL
Cash at bank	3 693 309	7 937 588
Cash on hand	6 865 530	6 044 223
TOTAL:	10 558 839	13 981 811

The Company has not created an ECL allowances for cash and cash equivalents on the basis that placements with banks are of short term nature and the lifetime of these assets under IFRS 9 is so short that the low probability of default would result in immaterial ECL amounts (2022: MDL 0).

20. Share capital

Share capital of the Company is in amounts of MDL 4 200 000.

The movements on the Share capital caption during the year are as follows:

	MDL	Number of class A Shares	Number of class B Shares	Total number of Shares
Opening balance as at 1 January 2022	54 550 000	-	-	-
Subscriptions	-	-	-	-
Redemptions	-	-	-	-
Closing balance as at 31 December 2022	54 550 000	-	-	-
Opening balance as at 1 January 2023	54 550 000	-	-	-
Subscriptions	126 000	-	-	-
Redemptions	(126 000)	-	-	-
Closing balance as at 30 September 2023	54 550 000	-	-	-

21. Borrowings**Non-current**

Subordinated loans	Interest rate per annum (%)	Maturity	30.09.2023. MDL	31.12.2022. MDL
Loan from related parties	16.00%	27.07.2024	3 800 000	3 800 000
TOTAL:			3 800 000	3 800 000

Subordinated loan comprise of loans received by the Company from its shareholder. The loan is in MDL with an interest rate of 16% and maturity to October 27, 2024.

Other borrowings	Interest rate per annum (%)	Maturity	30.09.2023. MDL	31.12.2022. MDL
Long term loans from related parties	13.5%	10.11.2027	16 594 047	17 303 360
Lease liabilities for rent of premises	13%	up to 5 years	3 272 336	5 969 830
Financing received from P2P investors	13.5%	up to 2 years	7 271 763	26 623 806
TOTAL:			27 138 146	49 896 996
TOTAL NON CURRENT BORROWINGS:			30 938 146	53 696 996

Current

Other borrowings	Interest rate per annum (%)	Maturity	30.09.2023. MDL	31.12.2022. MDL
Financing received from P2P investors	13.5%	up to 1 year	133 198 944	165 815 984
Lease liabilities for rent of premises	13%	up to 1 year	7 552 368	7 501 429
Short term loans from non related parties	20%	31.12.2023	26 000 000	26 000 000
Accrued interest for financing received from P2P investors			1 208 041	1 897 447
Accrued interest for loans from related parties			159 845	316 232
Accrued interest for loans from non related parties			427 397	485 808
TOTAL:			168 546 595	202 016 900

22. Related party disclosures

The income and expense items with related parties for Jan - Sept 2023 were as follows:

Related party	Shareholder controlled companies MDL	Other related parties MDL
Interest expenses	-	(445 798)
Management services received from related parties	(16 292 356)	-

The income and expense items with related parties for Jan - Sept 2022 were as follows:

Related party	Shareholder controlled companies MDL	Other related parties MDL
Interest expenses	-	(1 043 993)
Management services received from related parties	(19 569 823)	-

The receivables and liabilities with related parties as at 30.09.2023. and 31.12.2022. were as follows:

	30.09.2023. MDL	31.12.2022. MDL
Amounts owed to related parties		
Loans from related parties	16 703 919	17 561 499
Payables to related parties	21 837 470	20 945 273

Movement in amounts owed by related parties	Amounts owed by related parties
Amounts owed by related parties as of 01.01.2022	-
Receivables covered in period	-
Amounts owed by related parties as of 31.12.2022.	-
Amounts owed by related parties as of 01.01.2023.	-
Receivables covered in period	-
Amounts owed by related parties as of 30.09.2023.	-

Movement in amounts owed to related parties	Amounts owed to related parties
Amounts owed to related parties as of 01.01.2022	27 773 987
Loans received in period	60 846 050
Loans repaid/settled in period	(66 542 690)
Interest calculated in period	1 403 139
Interest repaid/settled in period	(1 258 665)
Management services received in period	117 424 663
Management services paid in period	(101 940 306)
Dividends calculated for minority shareholders	3 668 980
Dividends paid to minority shareholders	(2 868 385)
Amounts owed to related parties as of 31.12.2022.	38 506 772
Amounts owed to related parties as of 01.01.2023.	38 506 772
Loans received in period	15 760 203
Loans repaid/settled in period	(16 469 516)
Interest calculated in period	447 021
Interest repaid/settled in period	(595 288)
Management services received in period	65 893 934
Management services paid in period	(64 207 481)
Dividends calculated for minority shareholders	839 542
Dividends paid to minority shareholders	(1 633 798)
Amounts owed to related parties as of 30.09.2023.	38 541 389

23. Events after balance sheet date

As of the last day of the reporting period until the date of signing these interim financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or Notes thereto.