

## **Iute Group reports unaudited results for 12M/2024**

### **Journey towards fully digital banking group**

#### **Strategic Highlights**

- Longer maturities and stronger customers are having an increasing effect in offsetting falling effective annual interest rates and rising interest costs as a result of growth.
- Number of active customers up 1,9% to 262 thousand (31 Dec. 2023: 257 thousand) with revenue per customer (LTM) up 9,9% to 432 EUR (12M/2023: 393 EUR).
- Total number of customers up 10,9% to 908 thousand (31 Dec. 2023: 819 thousand).
- Group consolidated balance sheet up 10,6% to 415,7 million EUR and equity up 16,7% to 74,5 million EUR as of 31 Dec. 2024.
- Increasing use of Mylute app – 1.191 thousand downloads as of 31 Dec. 2024 (31 Dec. 2023: 834 thousand).
- Wallet services and digital insurance intermediation continue to grow significantly faster than lending business – further acceleration expected.
- In July 2024, Fitch Ratings (Fitch) assigned a B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and a B- Senior Secured Debt Rating for EUR Bond 2021/2026.
- Activities started for the refinancing management of the outstanding 2021/2026 corporate bond, including the evaluation of possible capital measures to be carried out in the course of the 2025 financial year.

#### **Operational Highlights**

- Loan payouts at already high levels showing further increased by 29,5% to 376,5 million EUR (12M/2023: 290,9 million EUR).
- Number of loans signed with 359 thousand well above prior-year level (12M/2023: 330 thousand).
- Cost of risk, expressed as net impairment charges to average gross loan portfolio, decreased to 9,1% (12M 2023: 9,5%), underlying trajectory to improvement of customer quality.
- Gross loan portfolio up 26,1% to 317,6 million EUR (31 Dec. 2023: 252,0 million EUR) of which principal amount of loans increased 27,6% to 296,3 million EUR (31 Dec. 2023: 232,2 million EUR).
- Repayment discipline (Customer Performance Index, CPI30) at 86,6% (12M/2023: 87,3%), reflecting the time lapse before recent loan repayments outweigh earlier loan repayments.
- 78 cardless ATMs operational (31 Dec. 2023: 75 ATMs).

#### **Financial Highlights**

- Interest and commission fee income up 1,9% to 93,1 million EUR (12M/2023: 91,4 million EUR) which is burdened to the lower income from Moldovan base rate and government bonds at Energbank.
- Interest and commission fee income adjusted for Energbank's income from government bonds increased by 5,2 % to 91,2 million EUR (12M/2023: 86,6 million EUR).
- Net interest and commission fee income up 2,4% to 64,7 million EUR (12M/2023: 63,2 million EUR).
- Net interest and commission fee income adjusted for Energbank's income from government bonds up 7,4% to 62,8 million EUR (12M/2023: 58,4 million EUR).
- Total revenue up 6,6% to 112,7 million EUR (12M/2023: 105,7 million EUR) – adjusted for Energbank's income from government bonds up 9,7% to 110,7 million EUR (12M/2023: 101,1 million EUR).
- Adjusted cost-to-revenue ratio 39,7% (12M/2023: 38,5%) as a result of lower income from government bonds and central bank deposits at Energbank.
- EBITDA adjusted for FX up 2,2% to 47,7 million EUR (12M/2023: 46,7 million EUR adjusted for FX, one-off expenses of 1,6 million EUR related to changes in LGD calculation (IFRS 9), sale of properties at Energbank of 1,4 million EUR and one-off expenses related to new subsidiaries of 1,8 million EUR).
- Net profit at 9,0 million EUR compared to 10,3 million EUR, attributable to one-off expenses related to changes in LGD calculation (IFRS 9), while the prior-year period was influenced by stronger FX gains.
- Strong capitalization and profitability affected by discretionary strong growth efforts still in line with Eurobond covenants.

## **Statement of the Management**

lute Group is on a journey towards becoming a fully digital bank in every country where it operates. While the journey may take years, the group is oriented towards top performance and profit for every single year it operates. Our DNA is entrepreneurial and customer-centric, intertwined with a systematic approach and the ability to learn from mistakes and adapt to changing environments.

We continued through 2024 to build loan, payment, and insurance value streams which combined constitute a fintech bank and money ecosystem for our customers. The Group achieved both quantitative growth and several qualitative advancements in its products and its operations. However, despite profitable growth, we fell short of our own even higher expectations:

- Customer pool (loan and wallet) target 260,000 reached at the end of 2024;
- Balance sheet 420 million EUR target was missed by 1%, reaching 415 million EUR;
- Revenue 120 million EUR target was missed by 6%, reaching 113 million EUR;
- Consolidated net profit 15 million EUR target was 40% short by reaching 9 million EUR, while the largest impact of 3,5 million EUR was due to FX (vs 12M23) and 1,6 million EUR due to change of LGD calculation logic (IFRS9);
- Targeted launch of business activities in at least one additional country was delayed to 2025.

From a top performance viewpoint, we can do better. Therefore, the key areas for management improvement in 2025 are internal alignment and planning, both before and during execution. With higher standards for skills and routines to manage the increasing complexity of business processes, we will deliver a more personalized experience to our customers. Delivering a more personalized experience in large scale requires us to execute on advanced digitalization and automatization improvements, and for the first time, apply artificial intelligence as part of lute's back-end operations. A significantly larger share of development resources will be dedicated to wallet and insurance intermediation value streams. We intend to monetize customer interactions we have with over one million people in the Balkans who have downloaded the Mylute app.

Regulatory pressures and changes remain both a threat and an opportunity. In general, we can expect increased complexity in business operations and therefore higher operating expenses, while loan revenues will become even more constrained. Therefore, the focus will be on customer creditworthiness and repayment quality.

Thanks to the joint efforts of the lute team, the Group succeeded in improving the loan portfolio performance and operational efficiency. Interest and similar income grew from 91 million EUR to 93 million EUR despite changing and stricter regulations, while interest and similar expenses remained at the same level of 28 million EUR. The Group's operating expenses increased from 47 million EUR to 48 million EUR while the Group's total revenue rose from 106 million EUR to 113 million EUR.

In July 2024, Fitch Ratings (Fitch) assigned a B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and a B- Senior Secured Debt Rating for EUR Bond 2021/2026.

In 2025, the Group also intends to overcome the pressure on profitability and reach double-digit profit again. First, we will further improve the opex-to-revenue ratio by increasing revenues without increasing operating expenses, or in some areas by cutting expenses without affecting the value delivered to our customers. Currently the non-bank business opex-to-revenue ratio is already below 40%, while the bank business opex-to-revenue ratio stands at over 60%. Second, we intend to increase of FX revenues by having more active Energbank services in our main FX-dependent market in Moldova. Third, the loan impairment provisioning ratios are expected to improve, in line with the better repayment quality of loans issued in the second half of 2024. In other words, the performing loan portfolio and its revenues are expected to grow faster than the provisions for loan losses created during the period. Fourth, the expenses incurred for business expansion are expected to bear fruit in actual expansion of the business on the map, which will eventually attract customers and generate revenues. By the end of 2025, management expects to have 300,000 active wallet, loan and insurance customers. The consolidated balance sheet should reach 500 million EUR, revenue should grow by at least 10% over 2024 and net profit should grow by 20% over 2024.

Tarmo Sild  
CEO of lute Group

## Consolidated key financial figures

	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>Capitalization</b>			
Gross loan portfolio (in thousand EUR)	317.599	251.950	26,1%
<i>Iute Non-Bank</i>	223.324	185.842	20,2%
<i>Energbank</i>	94.275	66.108	42,6%
Net loan portfolio (in thousand EUR)	297.638	232.171	28,2%
<i>Iute Non-Bank</i>	206.870	169.414	22,1%
<i>Energbank</i>	90.761	62.757	44,6%
Assets (in thousand EUR)	415.701	375.799	10,6%
Equity (in thousand EUR)	74.466	63.818	16,7%
Equity to assets ratio	17,9%	17,0%	0,9%
Capitalization ratio	25,0%	27,5%	-2,5%
	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
<b>Profitability</b>			
Interest income	93.126	91.396	1,9%
<i>Iute Non-Bank</i>	78.122	73.309	6,6%
<i>Energbank</i>	15.004	18.087	-17,0%
Net interest margin	24,5%	29,4%	-4,9%
<i>Iute Non-Bank</i>	28,1%	30,8%	-2,7%
<i>Energbank</i>	16,1%	26,0%	9,9%
Adjusted cost to income ratio	39,7%	38,5%	1,2%
<i>Iute Non-Bank</i>	35,0%	34,4%	0,6%
<i>Energbank</i>	63,6%	58,8%	9,7%
Post-allowances operating profit margin	20,5%	23,7%	-3,2%
<i>Iute Non-Bank</i>	22,0%	22,8%	-0,9%
<i>Energbank</i>	16,7%	24,9%	8,2%
Adjusted EBITDA	47.743	46.733	2,2%
<i>Iute Non-Bank</i>	41.926	38.734	8,2%
<i>Energbank</i>	5.816	7.998	-27,3%
Interest coverage ratio	1,7	1,7	-1,9%
Profit margin before tax	12,5%	14,1%	-1,60%
Net profit	9.035	10.255	-11,9%
Return on assets	2,3%	2,9%	-0,7%
Return on equity	13,1%	17,5%	-4,4%
	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>	<b>Δ in %</b>
<b>Asset quality</b>			
Cost of risk	8,6%	9,5%	-0,3%
<i>Iute Non-Bank</i>	10,3%	13,0%	-2,7%
<i>Energbank</i>	0,2%	0,8%	-0,6%
Impairment coverage ratio	69,7%	65,7%	4,0%
<i>Iute Non-Bank</i>	64,2%	60,6%	3,7%
<i>Energbank</i>	115,7%	113,0%	2,7%
Gross NPL ratio	9,0%	11,9%	-2,9%
<i>Iute Non-Bank</i>	11,5%	14,6%	-3,1%
<i>Energbank</i>	3,2%	4,5%	-1,3%
Net NPL ratio	4,6%	7,0%	-2,4%
<i>Iute Non-Bank</i>	6,4%	9,3%	-2,9%
<i>Energbank</i>	0,5%	0,6%	-0,1%

## MANAGEMENT REPORT

### Group Corporate and Organizational Overview

**lute Group AS** (formerly luteCredit Europe) is a holding company which issues consumer and corporate credits and offers personal finance services via its owned operating subsidiaries in local markets (**Subsidiaries**). As of 31 Dec. 2024, lute Group had ten operating subsidiaries: ICS OMF lute Credit SRL (**ICM**) and BC Energbank S.A. (**EB**) in Moldova, luteCredit Albania SHA (**ICA**) and lutePay Sh.p.k. (**IPA**) (formerly VeloxPay Sh.P.K ,Velox) in Albania, luteCredit Macedonia DOOEL-Skopje (**ICMK**) and lute Safe AD Skopje (**ISMK**) in North Macedonia, lutePay Bulgaria EOOD (**lutePay Bulgaria**) and luteCredit Bulgaria EOOD (**ICBG**) in Bulgaria, luteCredit BH d.o.o. Sarajevo (**ICBH**) in Bosnia and Herzegovina, luteCredit Finance S.á r.l. (**ICF**) in Luxembourg, luteCredit Romania IFN SA (**ICRO**) lutePay Bulgaria EOOD, MKD luteCredit BH d.o.o. Sarajevo and luteCredit Romania IFNSA were inactive during financial year 2024. lute Group AS and its subsidiaries form the **lute Group** or **lute** on a consolidated level.

Operationally active companies of the lending business are collectively shown as **lute Non-Bank (INB)**, while the banking business of the lute Group consists of **Energbank (EB)**. All subsidiaries are 100% owned by lute Group AS, except Energbank where lute Group AS holds a 95% stake. lute Group AS plans to acquire the largest possible stake in the bank by purchasing shares at market conditions. Once the new members of the Bank's governing bodies seconded by lute Group AS are elected and approved by the National Bank of Moldova, lute Group AS will be able to exercise full operational control over the Bank.

The Group's Headquarters (**HQ**) is located in Tallinn, Estonia. HQ's responsibilities include:

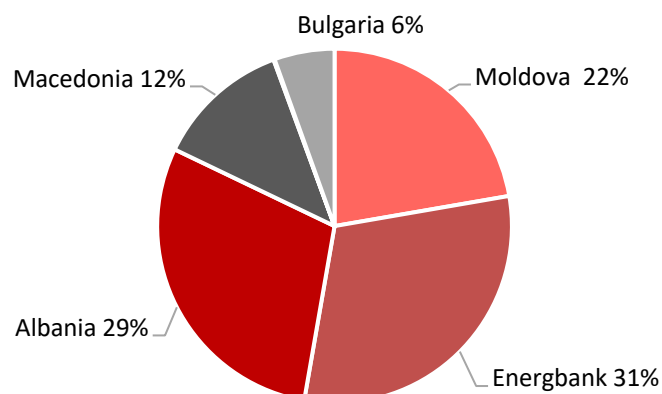
- Strategic targeting
- Scalability of business
- Business capabilities design, including organizations design, process design, and technology design
- Technology development and integration
- Composition of management teams at subsidiaries
- Human resource and customer experience framework rules and targeting guidance
- Financial management framework rules and targeting guidance
- Marketing and sales framework rules and targeting guidance
- Enterprise risk management, including loan risk parameters and general compliance framework
- Data harvesting
- The Group's financing and investor relations

Each subsidiary is autonomously managed by the respective country's local management within the boundaries and targets set by the HQ and by the country's regulatory framework.

## Business Model

The Group's core loan products are unsecured installment loans and buy-now-pay-later loans with maturities between 3 months and 48 months and pledge-secured loans with maturities of up to 72 months. The median loan amount is 500 EUR, while loan amounts range from 50 EUR to 10 thousand EUR. The weighted average annual percentage rate (APR) is 37% and the effective interest rate (EIR) is 47% depending on the loan amount, maturity, and customer status (new or recurring customer with good payment history).

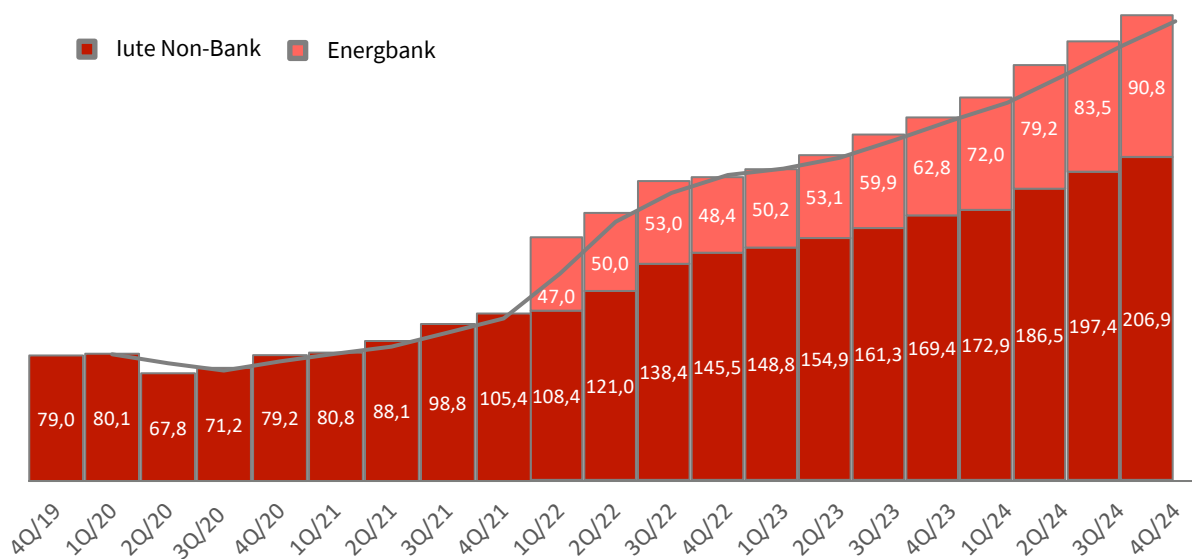
Breakdown of portfolio diversification as of 31/12/2024



lute Group aims to serve only clients with a permanent workplace and stable income. The loan underwriting process is based on personal identification, personal income assessment, and personal loan performance data. Approximately 58% of loan applications by individual customers across the Group are approved on average.

Loans are handled via established partners network (such as shops, money transfer companies, and postal agencies), web portals, and other online channels, as well as lute branches (retail offices). By the end of Dec. 2024, lute Group had 41 lute branches and 4.198 active points of sale, and 20 Energbank branches. Traditionally, lute Non-Bank handles money only via bank accounts or over the counter through its agents. With the introduction of lute ATMs, the operating country subsidiaries are increasingly carrying out cash transactions.

Breakdown of net portfolio development in EUR (million)



## Consolidated earnings, financial and asset position

Consolidated statement of profit and loss (condensed)

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest and similar income	93.126	91.396	1,9%
Interest and similar expense	-28.394	-28.194	0,7%
<b>Net interest and commission fee income</b>	<b>64.732</b>	<b>63.203</b>	<b>2,4%</b>
Loan administration fees and penalties	7.323	6.384	14,7%
<b>Total loan administration fees and penalties</b>	<b>7.323</b>	<b>6.384</b>	<b>14,7%</b>
Other income	12.239	7.937	54,2%
Allowances for loan impairment	-26.017	-22.165	17,4%
<b>Net operating income</b>	<b>58.277</b>	<b>55.359</b>	<b>5,3%</b>
Personnel expenses	-22.526	-22.136	1,8%
Depreciation/amortization charge	-4.231	-3.902	8,5%
Other operating expenses	-21.170	-21.239	-0,3%
<b>Total operating expenses</b>	<b>-47.928</b>	<b>-47.276</b>	<b>1,4%</b>
Foreign exchange gains/losses	1.249	4.767	-73,8%
<b>Net financial result</b>	<b>1.249</b>	<b>4.767</b>	<b>-73,8%</b>
<b>Profit before tax</b>	<b>11.598</b>	<b>12.848</b>	<b>-9,7%</b>
Income tax expense	-2.563	-2.593	-1,1%
<b>Net profit for the period</b>	<b>9.035</b>	<b>10.255</b>	<b>-11,9%</b>

## Total income

Total income before expenses increased by 6,6% to 112.688 thousand EUR (12M/2023: 105.713 thousand EUR) – adjusted for Energbank's income from government bonds up 9,7% to 110.741 thousand EUR (12M/2023: 100.964 million EUR).

### Breakdown of consolidated total income

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest and similar income	93.126	91.396	1,9%
<i>lute Non-Bank</i>	78.078	73.309	6,5%
<i>Energbank</i>	15.048	18.087	-16,8%
Penalties and similar income	7.323	6.384	14,7%
<i>lute Non-Bank</i>	7.227	6.384	13,2%
<i>Energbank</i>	95	0	n/a
Other income	12.239	7.937	54,2%
<i>lute Non-Bank</i>	11.535	8.034	43,6%
<i>Energbank</i>	704	-97	-825,6%
<b>Total income</b>	<b>112.688</b>	<b>105.718</b>	<b>6,6%</b>

## Other income

Other income in 12M/2024 of 12.239 thousand EUR included, primarily, extraordinary income from debt collectors of 4.143 thousand EUR (12M/2023: 3.209 thousand EUR), income of 3.519 thousand EUR (12M/2023: 1.650 thousand EUR) from sales of defaulted loan portfolio, and income from other operations not related to core business activity of 1.202 thousand EUR (12M/2023: 1.913 thousand EUR). Defaulted loan portfolio sale depends on the offered price and lute Group's own expectations of the collection. In case the collection results promise better cash flow than portfolio sales, the defaulted loans are not sold. Particularly noteworthy is the doubling in revenues from insurance brokerage to 3.375 thousand EUR (12M/2023: 1.748 thousand EUR).

## Interest income

Interest income increased by 1,9% to 93.126 thousand EUR (12M/2023: 91.396 thousand EUR), burdened in particular by lower income from government bonds at Energbank – adjusted for Energbank's income from government bonds up 5.2% to 91,2 million EUR (12M/2023: 86,6 million EUR).

### Breakdown of interest income

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Total value of loan principal issued	376.531	290.860	29,5%
<i>lute Non-Bank</i>	300.953	238.193	26,3%
<i>Energbank</i>	75.578	52.667	43,5%
Average net loan portfolio	265.940	213.035	24,8%
<i>lute Non-Bank</i>	188.142	157.384	19,5%
<i>Energbank</i>	77.798	55.651	39,8%
Principal	296.398	232.329	27,6%
<i>lute Non-Bank</i>	202.880	167.026	21,5%
<i>Energbank</i>	93.518	65.303	43,2%
Accrued interest	21.201	19.622	8,0%
<i>lute Non-Bank</i>	20.444	18.816	8,6%
<i>Energbank</i>	757	805	-6,0%
Average annualized interest rate on performing principal portfolio	37,3%	43,9%	-15,0%
<i>lute Non-Bank</i>	37,3%	43,9%	-15,0%
<i>Energbank</i>	11,5%	13,8%	-16,8%
Interest income	93.126	91.396	1,9%
<i>lute Non-Bank</i>	78.122	73.309	6,6%
<i>Energbank</i>	15.004	18.087	-17,0%

## Breakdown of interest income by countries

	12M/2024	Total share in %	12M/2023	Total share in %	Δ in %
Moldova	19.396	20,8%	20.770	22,7%	-6,6%
Energbank*	15.004	16,1%	18.087	19,8%	-17,0%
Albania	34.746	37,3%	31.849	34,8%	9,1%
Macedonia	16.547	17,8%	15.686	17,2%	5,5%
Bulgaria	7.349	7,9%	4.559	5,0%	61,2%
<b>Discontinued operations</b>					
Bosnia	85	0,1%	445	0,5%	-81,0%
<b>Total</b>	<b>93.126</b>	<b>100,0%</b>	<b>91.396</b>	<b>100,0%</b>	<b>1,9%</b>

\* Energbank interest income adjusted for government bonds decreased by 2,1% to 13.057 thousand EUR (12M/2023: 13.334 thousand EUR).

## Interest expense

Interest expense increased by 0,7% to 28.394 thousand EUR (12M/2023: 28.194 thousand EUR).

## Breakdown of interest expense

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest on amounts due to creditors	-9.438	-8.466	11,5%
Interest on financial lease liabilities	-250	-214	17,0%
Interest on bonds	-16.631	-16.846	-1,3%
Interests on deposits	-2.074	-2.668	-22,3%
<b>Total</b>	<b>-28.394</b>	<b>-28.194</b>	<b>0,7%</b>

## Loan administration fees and penalties

Income from other fees and penalties increased by 14,7% to 7.323 thousand EUR (12M/2023: 6.383 thousand EUR) reflecting penalties and delay interests, resigns, deduction by dealer bonuses, and other secondary fees.

## Breakdown of administration fees and penalties

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Penalties under loans and delay interests	7.505	7.166	4,7%
<i>Iute Non-Bank</i>	7.409	7.166	3,4%
<i>Energbank</i>	95	0	n/a
Resigns under customer loans	402	446	-9,9%
Dealer bonuses	-904	-1.350	-33,0%
Other fees from additional services	320	121	136,7%
<b>Total</b>	<b>7.323</b>	<b>6.383</b>	<b>14,7%</b>



## Allowances for loan impairment

Change in allowances for consolidated loan impairment increased by 14,9% to 25.631 thousand EUR (12M/2023: 22.308 thousand EUR), less disproportionately than the increase in the loan book. Allowances at Energbank are determined at the end of June and Dec. only, accordingly, allowances at Energbank decreased to 158 thousand EUR (12M/2023: 246 thousand EUR). Changes in allowances for loan impairment at lute Non-Bank increased by 14,1% to 25.855 thousand EUR (12M/2023: 22.655 thousand EUR).

### Breakdown of allowances for loan impairment

(In thousand EUR)	12M/2024	12M/2023	Δ in %
<b>At the beginning of period</b>	<b>-19.778</b>	<b>-21.593</b>	<b>-8,4%</b>
Allowances for loan impairment	-25.631	-22.308	14,9%
Utilized	25.829	23.980	7,7%
Exchange differences	-386	143	n/a
<b>At the end of the period</b>	<b>-19.967</b>	<b>-19.778</b>	<b>1,0%</b>
<b>(In thousand EUR)</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Impairment charges on loans	-26.017	-22.165	17,4%
<b>Net impairment charges</b>	<b>-26.017</b>	<b>-22.165</b>	<b>17,4%</b>

Starting from Sep. 2024, lute Group changed the logic of LGD calculation. Historical data on defaulted loans will be replaced by 5-year historical data for LGD calculation in IFRS9 provision calculation. The impact of the logic change was recognized in Sep. 2024 in the amount of 1.6 million EUR.

Overall net impairment losses represented 27,9% of interest income (12M/2023: 24,3%). The cost of risk, expressed as net impairment charges to average gross loan portfolio, decreased to 9,1% (12M/2023: 9,5%).

## Operating expenses

Operating expenses at 43.697 thousand EUR remained at the prior-year's level (12M/2023: 43.375 thousand EUR). In particular, legal and professional fees were incurred in connection with the Fitch rating and the establishment of subsidiaries. In the prior-year period, legal and consulting costs were incurred in connection with the integration of Energbank as well as a one-time solidarity tax in North Macedonia. Advertising expenses accounted for 11,9% (12M/2023: 8,7%) of operating expenses while expenses on IT accounted for 7,5% (12M/2023: 8,1%).

### Breakdown of operating expenses

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Personnel	-22.526	-22.136	1,8%
Advertising expenses	-5.167	-3.780	36,7%
IT	-3.281	-3.503	-6,3%
Debt collection	-1.336	-1.196	11,7%
Legal and consulting	-3.939	-2.563	53,7%
Rent and utilities	-661	-633	4,4%
Taxes	-928	-4.371	-78,8%
Travel	-609	-679	-10,3%
Other	-4.455	-4.515	-1,3%
<b>Total</b>	<b>-43.697</b>	<b>-43.375</b>	<b>0,7%</b>
<i>lute Non-Bank</i>	<i>-33.720</i>	<i>-33.713</i>	<i>0,0%</i>
<i>Energbank</i>	<i>-9.977</i>	<i>-9.662</i>	<i>3,3%</i>

Excluding personnel expenses, operating expenses at 21.171 thousand EUR remained at the prior-year level (12M/2023: 21.239 thousand EUR).

## Personnel expenses

Personnel expenses, mainly salaries and bonuses, and social security expenses increased by 1,9% to 18.770 thousand EUR (12M/2023: 18.423 thousand EUR). Here, the recruitment of top-class talent in the areas of insurance brokerage and wallet services was offset by the reduction of activities in Bosnia and Herzegovina and efficiency measures at Energbank. The average number of full-time employees decreased to 922 (12M/2023: 939 employees).

### Breakdown of personnel expenses

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Salaries and bonuses	-18.770	-18.423	1,9%
Social security expenses	-3.040	-3.048	-0,3%
Medical insurance expenses	-163	-145	12,4%
Other expenses	-553	-519	6,5%
<b>Total</b>	<b>-22.526</b>	<b>-22.136</b>	<b>1,8%</b>
<i>Iute Non-Bank</i>	-14.817	-14.455	2,5%
<i>Energbank</i>	-7.710	-7.680	0,4%
Number of employees adjusted to full-time	922	939	-1,8%
<i>Iute Non-Bank</i>	493	483	2,1%
<i>Energbank</i>	429	456	-5,9%

## Foreign exchange gains/losses

Foreign exchange movements resulted in a gain of 1.249 thousand EUR (12M/2023: gain of 4.767 thousand EUR) reflecting, in particular, EUR/MDL and EUR/ALL conversion rates.

## Profit before tax

Consolidated profit before tax decreased to 11.598 thousand EUR (12M/2023: 12.849 thousand EUR). The profit margin before tax decreased to 12,5% (12M/2023: 14,1%).

## Income tax expense

Income tax expense at 2.563 thousand EUR remained at the prior-(12M/2023: 2.593 thousand EUR), in particular, as a result of different taxation regulations in home markets, i.e., differences between provisions accounting in national GAAP and IFRS.

### Breakdown of income tax

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Consolidated profit before tax	11.598	12.849	-9,7%
Current income tax expense	-2.563	-2.593	-1,1%
<b>Net profit for the period</b>	<b>9.035</b>	<b>10.256</b>	<b>-11,9%</b>

## Profit for the period

Net profit for the period decreased to 9.035 thousand EUR (12M/2023: 10.256 thousand EUR), attributable to one-off expenses related to changes in LGD calculation (IFRS 9), while the prior-year period was influenced by stronger FX gains.

## Transition statement of non-IFRS measures EBITDA and Adjusted EBITDA

## Breakdown of transition to adjusted EBITDA

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Profit for the period	9.035	10.256	-11,9%
Provision for corporate income tax	2.563	2.593	-1,1%
Interest expense	28.394	28.194	0,7%
Depreciation and amortization	4.231	3.902	8,5%
<b>EBITDA</b>	<b>44.223</b>	<b>44.945</b>	<b>-1,6%</b>
Adjustments	3.520	1.788	96,8%
<b>Adjusted EBITDA</b>	<b>47.743</b>	<b>46.733</b>	<b>2,2%</b>

## Breakdown of adjustments to EBITDA

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Foreign exchange gains/losses	1.249	4.767	-73,8%
One-time expenses not attributable to operations	-4.769	-6.555	-27,2%
<b>Adjustments</b>	<b>-3.520</b>	<b>-1.788</b>	<b>96,8%</b>

**Note:** Adjustments comprise one-off expenses of 1,6 million EUR related to changes in LGD calculation (IFRS 9), sale of properties at Energbank of 1,4 million EUR and one-off expenses related to new subsidiaries of 1,8 million EUR; In the prior-year period, one-off expenses not attributable to the operating business comprised the acquisition of Energbank as well as related IT, risk and customer experience environment analyses for the integration of Energbank.

## Condensed statement of financial position

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>ASSETS</b>			
Cash and cash equivalents	53.656	71.660	-25,1%
<i>lute Non-Bank</i>	14.019	17.231	-18,6%
<i>Energbank</i>	39.637	54.429	-27,2%
Loans to customers	297.631	232.171	28,2%
<i>lute Non-Bank</i>	206.870	169.414	22,1%
<i>Energbank</i>	90.761	62.757	44,6%
Prepayments	2.856	1.835	55,7%
Other assets	9.185	8.138	12,9%
Assets held for sales	432	432	-0,1%
Other financial investments	28.735	41.730	-31,1%
Property, plant, and equipment	6.540	8.374	-21,9%
Right-of-use assets	2.482	1.582	56,8%
Intangible assets	14.184	9.878	43,6%
<b>Total assets</b>	<b>415.701</b>	<b>375.799</b>	<b>10,6%</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	111.256	107.356	3,6%
Loans and bonds from investors	214.122	183.919	16,4%
Lease liabilities	2.533	1.687	50,2%
Trade and other payables	1.868	2.796	-33,2%
Current income tax liabilities	508	679	-25,3%
Other tax liabilities	98	219	-55,0%
Other liabilities	10.851	15.325	-29,2%
<b>Total liabilities</b>	<b>341.235</b>	<b>311.981</b>	<b>9,4%</b>
<b>Equity</b>			
Minority share	4.797	4.661	2,9%
Share capital	10.346	10.346	0,0%
Share premium	741	741	
Legal reserve	1.035	1.000	3,5%
Revaluation reserve	423	799	-47,0%
Unrealized foreign exchange differences	7.306	5.650	29,3%
Retained earnings	49.819	40.621	22,6%
<b>Total equity</b>	<b>74.466</b>	<b>63.818</b>	<b>16,7%</b>
<b>Total equity and liabilities</b>	<b>415.701</b>	<b>375.799</b>	<b>10,6%</b>

## Assets

Total assets increased by 10,6% to 415.701 thousand EUR as of 31 Dec. 2024 (31 Dec. 2023: 375.799 thousand EUR).

## Loan portfolio

The net loan portfolio increased by 28,2% to 297.638 thousand EUR as of 31 Dec. 2024 (31 Dec. 2023: 232.171 thousand EUR). The weighted average loan maturity stood at 25.6 months (12M/2023: 20.7 months).

### Breakdown of net portfolio

(In thousand EUR)	31 Dec. 2024	Total in %	31 Dec. 2023	Total in %	Δ in %
Moldova	66.465	22,3%	56.979	24,5%	16,6%
Energbank	90.761	30,5%	62.757	27,0%	44,6%
Please delete %Albania	87.546	29,4%	72.418	31,2%	20,9%
Macedonia	36.641	12,3%	30.187	13,0%	21,4%
Bulgaria	16.223	5,5%	9.006	3,9%	80,1%
<b>Discontinued operations</b>					
Bosnia	0	0,0%	824	0,4%	-100,0%
<b>Total net loan portfolio</b>	<b>297.638</b>	<b>100,0%</b>	<b>232.171</b>	<b>100,0%</b>	<b>28,2%</b>

### Breakdown of loan applications

in pcs	12M/2024			12M/2023			Δ in %		
	Processed	Paid out	Approval rate in %	Processed	Paid out	Approval rate in %	Processed	Paid out	Approval rate in %
Moldova	218.015	131.485	61,7%	207.834	121.287	64,1%	4,9%	8,4%	-3,7%
Energbank	11.061	7.119	79,4%	11.624	7.199	68,0%	-4,8%	-1,1%	16,7%
Albania	167.962	137.867	69,2%	161.712	129.334	70,1%	3,9%	6,6%	-1,4%
Macedonia	81.717	53.536	58,5%	74.837	49.021	62,5%	9,2%	9,2%	-6,3%
Bosnia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bulgaria	132.311	28.665	21,5%	127.474	23.627	19,3%	3,8%	21,3%	11,2%
<b>In total</b>	<b>611.066</b>	<b>358.672</b>	<b>58,1%</b>	<b>583.481</b>	<b>330.468</b>	<b>56,8%</b>	<b>4,7%</b>	<b>8,5%</b>	<b>2,2%</b>

The recognition of loan applications according to Iute Non-Bank principles has not yet been implemented in Energbank's processes.

### Breakdown of issued loans Nominal APR on country level

(In %)	12M/2024	12M/2023	Δ in %	9M/2024	9M/2023	Δ in %	6M/2024	6M/2023	Δ in %	3M/2024	3M/2023	Δ in %
Moldova	32,7%	41,3%	-20,8%	34,8%	40,4%	-13,9%	32,1%	42,5%	-24,5%	32,5%	42,1%	-22,8%
Albania	38,3%	45,8%	-16,4%	38,4%	45,8%	-16,2%	38,5%	51,5%	-25,2%	38,0%	54,8%	-30,7%
Macedonia	41,6%	45,2%	-8,0%	41,9%	44,2%	-5,2%	41,3%	50,3%	-17,9%	42,2%	52,9%	-20,2%
Bulgaria	40,7%	42,5%	-4,2%	41,6%	42,7%	-2,6%	41,5%	42,1%	-1,4%	42,5%	42,4%	0,2%
<b>Iute Group WAVG</b>	<b>37,3%</b>	<b>43,9%</b>	<b>-15,0%</b>	<b>38,1%</b>	<b>43,3%</b>	<b>-12,0%</b>	<b>37,4%</b>	<b>47,0%</b>	<b>-20,4%</b>	<b>37,7%</b>	<b>48,1%</b>	<b>-21,6%</b>
Energbank	<b>11,5%</b>	<b>13,8%</b>	<b>-16,7%</b>	<b>11,9%</b>	<b>14,3%</b>	<b>-16,8%</b>	<b>12,4%</b>	<b>18,1%</b>	<b>-31,5%</b>	<b>12,6%</b>	<b>19,9%</b>	<b>-36,7%</b>

## Breakdown of issued loans Active APR on country level

Active APR is the WA APR for all currently active loans. It is measured in addition to the Nominal APR (which is calculated upon signing of the loan agreement), in order to understand how the APR of a portfolio has evolved in reality (reflecting various changes in the initially agreed repayment schedule). Moreover, since the durations (and APRs) of loans are very different, some loans are amortized much faster than others and their share in the payout can be significantly higher than in the portfolio.

(In %)	12M/2024	12M/2023	Δ in %	9M/2024	9M/2023	Δ in %	6M/2024	6M/2023	Δ in %	3M/2024	3M/2023	Δ in %
Moldova	32,7%	41,3%	-20,8%	34,8%	42,8%	-18,7%	35,2%	43,0%	-18,1%	32,1%	42,5%	-24,5%
Albania	38,3%	45,8%	-16,4%	38,4%	48,4%	-20,7%	39,2%	49,0%	-20,0%	38,5%	51,5%	-25,2%
Macedonia	41,6%	45,2%	-8,0%	41,9%	47,1%	-11,0%	41,4%	46,4%	-10,8%	41,3%	50,3%	-17,9%
Bulgaria	40,7%	42,5%	-4,2%	41,6%	42,1%	-1,2%	42,3%	42,2%	0,2%	41,5%	42,1%	-1,4%
<b>lute Group WAVG</b>	<b>37,3%</b>	<b>43,9%</b>	<b>-15,0%</b>	<b>38,1%</b>	<b>45,6%</b>	<b>-16,4%</b>	<b>38,6%</b>	<b>45,9%</b>	<b>-15,9%</b>	<b>37,4%</b>	<b>47,0%</b>	<b>-20,4%</b>
Energbank	<b>11,5%</b>	<b>13,8%</b>	<b>-16,7%</b>	<b>11,9%</b>	<b>14,3%</b>	<b>-16,8%</b>	<b>12,4%</b>	<b>43,0%</b>	<b>-31,5%</b>	<b>12,4%</b>	<b>18,1%</b>	<b>-31,5%</b>

The decrease in average annual percentage rates (APR) at group level in 12M/2024 relates to intensified competition across operating countries as well as to the shift to longer loan maturities and the increasing share of repeating customers. In Moldova and Albania, tighter regulatory caps on APR became effective.

## Breakdown of customer performance index (CPI30)

The following table sets out the ratio of actual loan repayments compared to expected repayments according to loan repayment schedules, plus 30 days delay tolerance, i.e., Customer Performance Index (CPI30). Performance of newly paid out loans improved with promising trends most significantly in Moldova and Macedonia. The CPI of the overall portfolio is improving as the proportion of newly paid out loans in the overall portfolio increases. While the improvements in Bulgaria are better than in other countries but still below expectations, a sustainable quality is expected by the end of 2024 with changes in credit risk models and parameters as well as in marketing activities.

(In %)	12M/2024	12M/2023	Δ in %	9M/2024	9M/2023	Δ in %	6M/2024	6M/2023	Δ in %	3M/2024	3M/2023	Δ in %
Moldova	90,6%	90,0%	0,7%	90,3%	90,0%	0,3%	90,1%	90,4%	-0,3%	89,8%	91,0%	-1,3%
Albania	87,1%	87,2%	-0,1%	86,8%	86,2%	0,7%	87,0%	87,4%	-0,5%	87,0%	87,1%	-0,1%
Macedonia	85,9%	86,0%	-0,1%	85,4%	86,2%	-0,9%	85,5%	86,8%	-1,5%	85,2%	87,1%	-2,2%
Bulgaria	80,3%	80,9%	-0,7%	80,4%	80,8%	-0,5%	80,8%	80,5%	0,4%	80,8%	80,2%	0,7%
<b>lute Group WAVG</b>	<b>86,8%</b>	<b>87,3%</b>	<b>-0,6%</b>	<b>86,4%</b>	<b>87,3%</b>	<b>-1,0%</b>	<b>86,4%</b>	<b>88,2%</b>	<b>-2,0%</b>	<b>86,4%</b>	<b>88,1%</b>	<b>-1,9%</b>

CPI30 is a proprietary lute Non-Bank metric that has not yet been implemented in Energbank processes.

## Breakdown of portfolio classification

The following tables set out the classification of the Group's net loan portfolio in terms of overdue buckets as well as the total impairment coverage ratio. Non-performing loans are recorded according to DPD+50.

(In thousand EUR)	31 Dec. 2024				31 Dec. 2023			
	Gross amount	Provisions	Net amount	% of net portfolio	Gross amount	Provisions	Net amount	% of net portfolio
Performing	288.946	-4.983	283.963	95,4%	221.858	-5.839	216.019	93,0%
<i>lute Non-Bank</i>	197.708	-4.052	193.656	93,6%	158.715	-5.050	153.666	90,7%
<i>Energbank</i>	91.238	-931	90.308	99,5%	63.143	-789	62.353	99,4%
Non-Performing	28.652	-14.984	13.668	4,6%	30.092	-13.940	16.152	7,0%
<i>lute Non-Bank</i>	25.616	-12.401	13.214	6,4%	27.127	-11.378	15.749	9,3%
<i>Energbank</i>	3.037	-2.583	454	0,5%	2.965	-2.562	404	0,6%
<b>Total portfolio</b>	<b>317.599</b>	<b>-19.967</b>	<b>297.631</b>	<b>100,0%</b>	<b>251.950</b>	<b>-19.779</b>	<b>232.171</b>	<b>100,0%</b>
<i>lute Non-Bank</i>	223.324	-16.454	206.870	69,5%	185.842	-16.428	169.414	73,0%
<i>Energbank</i>	94.275	-3.514	90.761	30,5%	66.108	-3.351	62.757	27,0%

(In thousand EUR)	31 Dec. 2024	Total share in %	31 Dec. 2023	Total share in %
Stage 1	280.840	94,4%	213.369	91,9%
<i>lute Non-Bank</i>	190.873	64,1%	151.127	65,1%
<i>Energbank</i>	89.967	30,2%	62.243	26,8%
Stage 2	3.123	1,0%	2.650	1,1%
<i>lute Non-Bank</i>	2.783	0,9%	2.539	1,1%
<i>Energbank</i>	340	0,1%	111	0,0%
Stage 3	13.668	4,6%	16.152	7,0%
<i>lute Non-Bank</i>	13.214	4,4%	15.749	6,8%
<i>Energbank</i>	454	0,2%	404	0,2%
<b>Total net portfolio</b>	<b>297.631</b>	<b>100,0%</b>	<b>232.171</b>	<b>100,0%</b>
<i>lute Non-Bank</i>	206.870	69,5%	169.414	73,0%
<i>Energbank</i>	90.761	30,5%	62.757	27,0%
<b>Gross NPL ratio</b>	<b>9,0%</b>		<b>11,9%</b>	
<i>lute Non-Bank</i>	11,5%		14,6%	
<i>Energbank</i>	3,2%		4,5%	
<b>Impairment coverage ratio</b>	<b>69,7%</b>		<b>65,7%</b>	
<i>lute Non-Bank</i>	64,2%		60,6%	
<i>Energbank</i>	115,7%		113,0%	

## Distribution principles between stages

	31 Dec. 2024	31 Dec. 2023
Stage 1	DPD <=30	DPD <=30
Stage 2	30 < DPD <=50	30 < DPD <=50
Stage 3	DPD > 50	DPD > 50

## Other assets and prepayments

Breakdown of other assets and prepayments

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
Deferred tax assets	856	739	15,9%
Prepayments of rent	80	88	-9,0%
Prepayment of taxes	389	518	-25,0%
Prepayments to suppliers and deferred expenses	1.531	490	212,5%
<b>Prepayments in total</b>	<b>2.856</b>	<b>1.835</b>	<b>55,7%</b>
Receivables from collection companies	757	775	-2,2%
Other receivables	1.108	4.906	-77,4%
Deposit receivables from partners	3.117	2.458	26,8%
<b>Trade and other receivables in total</b>	<b>4.983</b>	<b>8.138</b>	<b>-38,8%</b>
<b>TOTAL</b>	<b>7.839</b>	<b>9.973</b>	<b>-21,4%</b>

## Liabilities

As of 31 Dec. 2024, total liabilities at 341.235 thousand EUR increased by 9,4% (31 Dec. 2023: 311.981 thousand EUR).

Breakdown of loans and borrowings

Loans and borrowings at 327.911 thousand EUR increased by 11,9% (31 Dec. 2023: 292.961 thousand EUR), accounting for 96,1% of all liabilities (31 Dec. 2023: 93,9%).

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>Loans from investors</b>	<b>207.242</b>	<b>177.520</b>	<b>16,7%</b>
Due date during next 12 months	100.602	98.747	1,9%
<i>lute Non-Bank</i>	27.825	19.614	41,9%
<i>Energbank customer deposits</i>	72.777	79.133	-8,0%
Due date after 12 months	106.640	78.773	35,4%
<i>lute Non-Bank</i>	68.252	50.646	34,8%
<i>Energbank customer deposits</i>	38.388	28.127	36,5%
<b>Bond liabilities</b>	<b>114.085</b>	<b>109.831</b>	<b>3,9%</b>
Due date during next 12 months	0	0	n/a
Due date after 12 months	114.085	109.831	3,9%
<b>Lease liabilities</b>	<b>2.533</b>	<b>1.687</b>	<b>50,2%</b>
Due date during next 12 months	994	776	28,1%
Due date after 12 months	1.538	911	68,9%
<b>Accrued interest</b>	<b>4.052</b>	<b>3.924</b>	<b>3,3%</b>
<b>TOTAL</b>	<b>327.911</b>	<b>292.961</b>	<b>11,9%</b>
weighted average interest rate	9,2%	8,2%	
currency	EUR, MDL, USD; ALL; MKD; RUB; GBP;RON;CAD;BAM	EUR, MDL, USD; ALL; MKD; RUB; GBP;RON;CAD, BAM	

Loans from investors increased to 207.242 thousand EUR (31 Dec. 2023: 177.520 thousand EUR), of which 43.122 thousand EUR (31 Dec. 2023: 45.391 thousand EUR) are accounted for by P2P loans from the Mintos platform and/or others and 111.256 thousand EUR (31 Dec. 2023: 107.260 thousand EUR) for customer deposits and current customer bank accounts.



At the end of Sep. 2021, luteCredit Finance S.á r.l., wholly owned Luxembourg subsidiary of lute Group AS (formerly: luteCredit Europe AS), issued 75 million EUR senior secured corporate bonds with a maturity of 5 years and a coupon of 11% ISIN: XS2378483494). The bonds were subscribed by professional as well as retail investors and are listed on the Regulated Market of the Frankfurt Stock Exchange as well as on the Regulated Market of the Nasdaq Tallinn Stock Exchange. In Mar. 2023, a 40 million EUR tap at a price of 96.5% followed, of which 23.3 million EUR related to the conversion of EUR 2019/2023 bonds and 16.7 million EUR to new subscriptions. After the tap issue, the total amount outstanding of lute Group's 11% corporate bonds 2021/2026 amounts to 115 million EUR. In July 2023, a 10 million EUR tap followed, increasing the total volume of the bond to 125 million EUR. In July 2023, the total volume of the bond increased by 10 million EUR to 125 million EUR as a result of another exchange offer for the expiring EUR 2019/2023 bonds (repaid in Aug. 2023) and a tap issue. In Aug. 2023, lute Group held a bondholders meeting to amend the terms and conditions of its EUR 2021/2026 bonds. The proposals included lowering the interest coverage ratio in relation to the incurrence test, increasing the flexibility of the permitted debt baskets, and facilitating the implementation of employee participation programs. Bondholders resolved all proposed amendments with great consent.

In Oct. 2022, lute Group AS (formerly: luteCredit Europe AS) concluded a credit facility of up to 10 million USD with a term of 3 years and an interest rate of 13% with a Singaporean financial services institution. A first tranche of 3 million USD was utilized in Oct. 2022. Two tranches of 1 million USD each were utilized in July and Aug. 2023, and one further tranche of 3,5 million USD in Dec. 2023. In addition, in Jan. 2024, two further credit facilities of approx. 3.5 million USD each were concluded and utilized in Feb. and Mar. 2024. In Aug. 2024, one more tranche in the amount of 4.0 million USD was concluded.

In July 2024, lute Group was assigned a B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and a B- Senior Secured Debt Rating for its Corporate Bond 2021/2026 from Fitch Ratings (Fitch).

### Eurobond covenant ratios

	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>Capitalization</b>			
Capitalization ratio (Equity/net loan portfolio)	25,0%	27,5%	-9,0%
Financial covenant at least	15%	15%	
	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
<b>Profitability</b>			
Interest coverage ratio (ICR), times (Adjusted EBITDA/interest expenses)	1,7	1,7	0,0%
Financial covenant at least	1,5	1,5	

### Distribution of investor loan (Mintos)

	Mintos loans			Net loan portfolio			
(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %	31 Dec. 2024	Total share in %	31 Dec. 2023	Total share in %
Moldova	15.121	16.031	-5,7%	59.369	25,5%	56.979	28,1%
Energbank	0	0	n/a	79.195	n/a	62.757	n/a
Albania	20.127	18.685	7,7%	80.578	25,0%	72.418	25,8%
Macedonia	7.874	10.676	-26,2%	32.584	24,2%	30.187	35,4%
Bosnia	0	0	n/a	192	0,0%	824	n/a
Bulgaria	0	0	n/a	13.795	0,0%	9.006	n/a
<b>Total</b>	<b>43.122</b>	<b>45.391</b>	<b>-5,0%</b>	<b>265.713</b>	<b>25,0%</b>	<b>232.171</b>	<b>28,4%</b>

## Other liabilities

Breakdown of other liabilities

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
Trade payables	1.868	1.855	0,7%
Payables to employees	718	942	-23,7%
Corporate income tax payables	508	679	-25,3%
Other tax payables	1.037	1.022	1,5%
Allocations and other provisions	740	1.452	-49,1%
Wallet balance	5.134	3.005	70,9%
Deferred revenue	182	0	n/a
Unpaid dividends	0	4.001	-100,0%
Over-/wrong payments from customers	756	465	62,6%
Other liabilities	2.381	5.599	-57,5%
<b>TOTAL</b>	<b>13.324</b>	<b>19.020</b>	<b>-29,9%</b>

## Equity

As of 31 Dec. 2024, equity increased by 16,7% to 74.466 thousand EUR (31 Dec. 2023: 63.818 thousand EUR), representing an equity to assets ratio of 17,9% (31 Dec. 2023: 17,0%). The equity to net loan portfolio ratio stood at 25,0% (31 Dec. 2023: 27,5%), reflecting the Group's strong capitalization, and exceeds Iute Group Eurobond covenants of at least 15% significantly.

## Off-balance sheet arrangements

Future receivable commission fees, guarantee fees, administration fees, collaterals of car loan credit, and penalties (penalties are also called: secondary receivables) are not accounted in the Group's balance sheet, although the customers have a legally binding, irreversible obligation to pay those receivables in full according to the terms of signed loan agreements.

## Recent developments

After the end of the reporting period, Iute Group started activities for the refinancing management of the outstanding 2021/2026 corporate bond, including the evaluation of possible capital measures to be carried out in the course of the 2025 financial year.

## FINANCIAL STATEMENTS

## Consolidated statement of comprehensive income

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest and similar income	93.126	91.396	1,9%
Interest and similar expense	-28.394	-28.194	0,7%
<b>Net interest and commission fee income</b>	<b>64.732</b>	<b>63.203</b>	<b>2,4%</b>
Loan administration fees and penalties	7.323	6.384	14,7%
<b>Loan administration fees and penalties in total</b>	<b>7.323</b>	<b>6.384</b>	<b>14,7%</b>
Other income	12.239	7.937	54,2%
Allowances for loan impairment	-26.017	-22.166	17,4%
<b>Net operating income</b>	<b>58.277</b>	<b>55.359</b>	<b>5,3%</b>
Personnel expenses	-22.526	-22.136	1,8%
Depreciation/amortization charge	-4.231	-3.902	8,5%
Other operating expenses	-21.170	-21.239	-0,3%
<b>Total operating expenses</b>	<b>-47.928</b>	<b>-47.276</b>	<b>1,4%</b>
Foreign exchange gains/losses	1.249	4.767	-73,8%
<b>Net financial result</b>	<b>1.249</b>	<b>4.767</b>	<b>-73,8%</b>
<b>Profit before tax</b>	<b>11.598</b>	<b>12.848</b>	<b>-9,7%</b>
Income tax expense	-2.563	-2.593	-1,1%
<b>Profit for the reporting period</b>	<b>9.035</b>	<b>10.255</b>	<b>-11,9%</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	1.754	6.034	-70,9%
Revaluation reserve change	0	834	-100,0%
<b>Other comprehensive income total</b>	<b>1.754</b>	<b>6.868</b>	<b>-74,5%</b>
<b>Comprehensive income total</b>	<b>10.789</b>	<b>17.123</b>	<b>-37,0%</b>
<b>Profit attributable to:</b>			
Equity holders of the parent	8.960	10.107	-11,4%
Equity holders of minority	75	148	-49,3%
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	10.642	16.782	-36,6%
Equity holders of minority	139	341	-59,4%

## Iute Non-Bank statement of comprehensive income

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest and similar income	78.122	73.594	6,2%
Interest and similar expense	-26.077	-25.281	3,1%
<b>Net interest and commission fee income</b>	<b>52.045</b>	<b>48.313</b>	<b>7,7%</b>
Loan administration fees and penalties	7.227	6.384	13,2%
<b>Loan administration fees and penalties in total</b>	<b>7.227</b>	<b>6.384</b>	<b>13,2%</b>
Other income	11.535	7.824	47,4%
Allowances for loan impairment	-25.855	-22.655	14,1%
<b>Net operating income</b>	<b>44.953</b>	<b>39.866</b>	<b>12,8%</b>
Personnel expenses	-14.817	-14.455	2,5%
Depreciation/amortization charge	-3.346	-3.034	10,3%
Other operating expenses	-18.903	-19.258	-1,8%
<b>Total operating expenses</b>	<b>-37.065</b>	<b>-36.745</b>	<b>0,9%</b>
	0	0	n/a
Foreign exchange gains/losses	1.254	4.896	-74,4%
<b>Net financial result</b>	<b>1.254</b>	<b>4.896</b>	<b>-74,4%</b>
<b>Profit before tax</b>	<b>9.142</b>	<b>8.017</b>	<b>14,0%</b>
Income tax expense	-2.163	-2.087	3,6%
<b>Profit for the reporting period</b>	<b>6.979</b>	<b>5.928</b>	<b>17,7%</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations			
<b>Other comprehensive income total</b>	<b>5.550</b>	<b>3.969</b>	<b>39,8%</b>
	<b>5.550</b>	<b>3.969</b>	<b>39,8%</b>
<b>Comprehensive income total</b>	<b>12.529</b>	<b>9.897</b>	<b>26,6%</b>
<b>Profit attributable to:</b>			
Equity holders	12.529	9.897	26,6%
<b>Total comprehensive income attributable to:</b>			
Equity holders	12.529	9.897	26,6%

## Energbank statement of comprehensive income

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Interest and similar income	15.073	18.087	-16,7%
Interest and similar expense	-2.317	-2.913	-20,5%
<b>Net interest and commission fee income</b>	<b>12.756</b>	<b>15.174</b>	<b>-15,9%</b>
Loan administration fees and penalties	95	0	n/a
<b>Loan administration fees and penalties in total</b>	<b>95</b>	<b>0</b>	<b>n/a</b>
Other income	704	-181	n/a
Allowances for loan impairment	-158	-246	-36,0%
<b>Net operating income</b>	<b>13.397</b>	<b>14.747</b>	<b>-9,2%</b>
Personnel expenses	-7.710	-7.680	0,4%
Depreciation/amortization charge	-887	-868	2,1%
Other operating expenses	-2.267	-1.982	14,4%
<b>Total operating expenses</b>	<b>-10.864</b>	<b>-10.530</b>	<b>3,2%</b>
Foreign exchange gains/losses	-354	-129	173,9%
<b>Net financial result</b>	<b>-354</b>	<b>-129</b>	<b>173,9%</b>
<b>Profit before tax</b>	<b>2.180</b>	<b>4.088</b>	<b>-46,7%</b>
Income tax expense	-401	-505	-20,7%
<b>Profit for the reporting period</b>	<b>1.779</b>	<b>3.582</b>	<b>-50,3%</b>

## Consolidated statement of financial position

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>ASSETS</b>			
Cash and cash equivalents	53.656	71.660	-25,1%
Loans to customers	297.631	232.171	28,2%
Prepayments	2.856	1.835	55,7%
Other assets	9.185	8.138	12,9%
Other financial investments	28.735	41.730	-31,1%
Property, plant, and equipment	6.540	8.374	-21,9%
Right-of-use assets	2.482	1.582	56,8%
Intangible assets	14.184	9.878	43,6%
Assets held for sale	432	432	-0,1%
<b>Total assets</b>	<b>415.701</b>	<b>375.800</b>	<b>10,6%</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	111.256	107.356	3,6%
Loans and bonds from investors	214.122	183.919	16,4%
Lease liabilities	2.533	1.687	50,2%
Trade and other payables	1.868	2.796	-33,2%
Current income tax liabilities	508	679	-25,3%
Other tax liabilities	98	219	-55,0%
Other liabilities	10.851	15.325	-29,2%
<b>Total liabilities</b>	<b>341.235</b>	<b>311.981</b>	<b>9,4%</b>
<b>Equity</b>			
Minority share	4.797	4.661	2,9%
Share capital	10.346	10.346	0,0%
Share premium	741	741	
Legal reserve	1.035	1.000	3,5%
Revaluation reserve	423	799	-47,0%
Unrealized foreign exchange differences	7.306	5.650	29,3%
Retained earnings	49.819	40.621	22,6%
<b>Total equity</b>	<b>74.466</b>	<b>63.818</b>	<b>16,7%</b>
<b>Total equity and liabilities</b>	<b>415.701</b>	<b>375.799</b>	<b>10,6%</b>

## Iute Non-Bank statement of financial position

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>ASSETS</b>			
Cash and cash equivalents	14.019	17.231	-18,6%
Loans to customers	206.870	169.414	22,1%
Prepayments	1.281	1.459	-12,2%
Other assets	4.143	3.121	32,7%
Other financial investments	37.880	39.606	-4,4%
Property, plant, and equipment	934	939	-0,5%
Right-of-use assets	2.057	1.426	44,3%
Intangible assets	13.133	10.332	27,1%
<b>Total assets</b>	<b>280.316</b>	<b>243.527</b>	<b>15,1%</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Loans and bonds from investors	208.211	180.157	15,6%
Lease liabilities	2.101	1.530	37,3%
Trade and other payables	1.705	1.739	-2,0%
Current income tax liabilities	243	628	-61,4%
Deferred tax liabilities	880	797	10,5%
Other liabilities	8.207	13.778	-40,4%
<b>Total liabilities</b>	<b>221.347</b>	<b>198.629</b>	<b>11,4%</b>
<b>Equity</b>			
Share capital	10.346	10.346	n/a
Share premium	741	741	n/a
Legal reserve	1.035	1.000	3,5%
Foreign currency exchange reserve	9.952	4.402	126,1%
Retained earnings	36.896	28.409	29,9%
<b>Total equity</b>	<b>58.969</b>	<b>44.898</b>	<b>31,3%</b>
<b>Total equity and liabilities</b>	<b>280.316</b>	<b>243.527</b>	<b>15,1%</b>

## Energbank statement of financial position

(In thousand EUR)	31 Dec. 2024	31 Dec. 2023	Δ in %
<b>ASSETS</b>			
Cash and cash equivalents	39.637	54.429	-27,2%
Loans to customers	92.838	62.757	47,9%
Prepayments	1.449	377	284,7%
Other assets	747	1.208	-38,1%
Other financial investments	28.178	40.999	-31,3%
Property, plant, and equipment	5.606	6.392	-12,3%
Right-of-use assets	425	156	171,3%
Intangible assets	1.052	589	78,6%
<b>Total assets</b>	<b>169.932</b>	<b>166.908</b>	<b>1,8%</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Loans and bonds from investors	117.167	111.118	5,4%
Lease liabilities	431	157	175,5%
Trade and other payables	244	156	56,5%
Current income tax liabilities	46	51	-10,2%
Deferred tax liabilities	213	219	-2,8%
Other liabilities	1.696	1.651	2,7%
<b>Total liabilities</b>	<b>119.798</b>	<b>113.352</b>	<b>5,7%</b>
<b>Equity</b>			
Share capital	5.010	5.010	0,0%
Share premium	6.151	6.136	0,2%
Legal reserve	518	517	0,2%
Revaluation reserve	348	1.448	-76,0%
Foreign currency exchange reserve	950	235	304,8%
Other reserves	2.481	2.273	9,2%
Retained earnings	34.675	37.938	-8,6%
<b>Total equity</b>	<b>50.1331</b>	<b>53.556</b>	<b>-6,4%</b>
<b>Total equity and liabilities</b>	<b>169.931</b>	<b>166.908</b>	<b>1,8%</b>



## Consolidated statement of cash flows

(In thousand EUR)	12M/2024	12M/2023	Δ in %
Paid prepayments (-)	-15.024	-7.165	109,7%
Received pre- and overpayments (+)	13.564	18.553	-26,9%
Paid trade payables outside the Group (-)	-27.076	-28.697	-5,6%
Received debts from buyers and received other claims (+)	3.460	1.400	147,1%
Received from debt collection companies	2.395	65	>1.000%
Paid net salaries (-)	-17.044	-15.637	9,0%
Paid tax liabilities, excl. CIT (-)	-8.764	-10.239	-14,4%
Corporate income tax paid (-)	-2.730	-2.185	24,9%
Paid out to customers outside the Group (-)	-323.647	-262.174	23,4%
Change in MasterCard settlement account (+/-)	-92	-12.753	-99,3%
Principal repayments from customers outside the Group (+)	283.253	249.955	13,3%
Interest, commission and other fees received outside the Group (+)	84.042	81.445	3,2%
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-7.663</b>	<b>12.567</b>	<b>n/a</b>
Purchase of fixed assets outside the Group, incl. prepayments (-)	-3.333	-2.712	22,9%
Received from the sale of fixed assets outside the Group (+)	1.426	0	n/a
Payments for other financial investments (-)	-16.228	-24.542	-33,9%
Receipts from other financial investments (+)	24.108	30.171	-20,1%
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>5.973</b>	<b>2.917</b>	<b>104,8%</b>
Loans received from investors outside the Group (+)	76.367	80.006	-4,5%
Repaid loans to investors outside the Group (-)	-61.393	-62.642	-2,0%
Change in overdraft	-46	1.102	n/a
Principal payments of financial lease contracts (-)	-1.277	-1.337	-4,5%
Interests paid outside the Group (-)	-23.353	-24.116	-3,2%
Paid dividends	-4.001	-3.999	0,0%
Issue of ordinary shares	0	1.041	n/a
Receipts from other financing activities (+)	38	36	6,2%
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-13.666</b>	<b>-9.908</b>	<b>37,9%</b>
<b>Change in cash and cash equivalents</b>	<b>-15.356</b>	<b>5.576</b>	<b>n/a</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>59.251</b>	<b>52.566</b>	<b>12,7%</b>
Change in cash and cash equivalents	-15.356	5.576	n/a
Net foreign exchange difference	-270	1.109	n/a
<b>Cash and cash equivalents at the end of the period</b>	<b>43.625</b>	<b>59.251</b>	<b>-26,4%</b>
<b>Cash and cash equivalents comprise</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>	<b>Δ in %</b>
Cash on hand	5.484	11.550	-52,5%
Non-restricted current account	38.136	47.701	-20,1%

## Consolidated statement of changes in equity

(In thousand EUR)	Share capital	Share premium	Legal reserve	Unrealized FX differences	Revaluation reserve	Retained earnings	Fair value reserve	Minority share	Total
<b>01/01/23</b>	<b>10.000</b>	<b>0</b>	<b>1.000</b>	<b>-374</b>	<b>0</b>	<b>0</b>	<b>38.514</b>	<b>4.468</b>	<b>53.608</b>
<b>Profit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10.107</b>	<b>149</b>	<b>10.256</b>
<b>Other comprehensive income</b>									
Foreign currency translation	0	0	0	6.024	0	0	0	10	<b>6.034</b>
Revaluation reserve of financial assets	0	0	0	0	0	0	0	0	<b>0</b>
Revaluation gain	0	0	0	0	799	0	0	34	<b>833</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.024</b>	<b>0</b>	<b>0</b>	<b>10.107</b>	<b>193</b>	<b>17.123</b>
Issue of ordinary shares	346	741	0	0	0	0	0	0	<b>1.087</b>
Payment of dividends	0	0	0	0	0	0	-8.000	0	<b>-8.000</b>
<b>31/12/23</b>	<b>10.346</b>	<b>741</b>	<b>1.000</b>	<b>5.650</b>	<b>0</b>	<b>0</b>	<b>40.621</b>	<b>4.661</b>	<b>63.818</b>
<b>01/01/24</b>	<b>10.346</b>	<b>741</b>	<b>1.000</b>	<b>5.650</b>	<b>799</b>	<b>0</b>	<b>40.621</b>	<b>4.661</b>	<b>63.818</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8.960</b>	<b>75</b>	<b>9.035</b>
<b>Other comprehensive income</b>									
Foreign currency translation	0	0	0	1.656	0	0	0	65	<b>1.721</b>
Revaluation reserve of financial assets	0	0	0	0	-273	0	273	0	<b>0</b>
Change in fair value of investments at FTVOCI	0	0	0	0	0	-103	0	-4	<b>-107</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.656</b>	<b>-273</b>	<b>-103</b>	<b>9.233</b>	<b>136</b>	<b>10.649</b>
Allocation to legal reserve	0	0	35	0	0	0	-35	0	<b>0</b>
<b>31/12/24</b>	<b>10.346</b>	<b>741</b>	<b>1.035</b>	<b>7.306</b>	<b>526</b>	<b>-103</b>	<b>49.819</b>	<b>4.797</b>	<b>74.467</b>

## Additional consolidated key performance indicators

<b>Profitability</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Return on average assets	2,3%	2,9%	-0,7%
Return on average equity	13,1%	17,5%	-4,4%
Interest income/Average interest-earning assets	29,7%	37,9%	-8,2%
Interest income/Average gross loan portfolio	32,7%	39,1%	-6,4%
Interest income/Average net loan portfolio	35,0%	42,9%	-7,9%
Interest expense/Interest income	30,5%	30,8%	-0,4%
Cost of funds	8,7%	9,7%	-1,0%
Cost of interest-bearing liabilities	14,3%	10,4%	3,9%
Net interest margin	24,5%	29,4%	-4,9%
Net effective annualized yield	34,9%	42,9%	-8,0%
Net impairment/interest income	27,9%	24,3%	3,7%
Net interest fee and commission income/Total operating income	89,1%	92,5%	-3,4%
Earnings before taxes/Average total assets	2,9%	3,7%	-0,8%
<b>Efficiency</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Total assets/Employee (in thousand EUR)	451	400	12,7%
Total operating income/Employee (in thousand EUR)	122	113	8,6%
Cost/Income ratio	42,5%	44,7%	-2,2%
Total recurring operating costs/Average total assets	1,8%	2,5%	-0,8%
Total operating income/ Average total assets	28,5%	30,3%	-1,8%
Personnel costs/Total recurring operating costs	322,4%	252,0%	70,4%
Personnel costs/Total operating income	20,0%	20,9%	-0,9%
Net operating income/Total operating income	51,7%	52,4%	-0,6%
Net income (Loss)/Total operating income	8,0%	9,7%	-1,7%
Profit before tax (Loss)/Interest income	12,5%	14,1%	-1,6%
<b>Liquidity</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Net loan receivables/Total assets	71,6%	61,8%	9,8%
Average net loan receivables/Average total assets	67,2%	61,0%	6,2%
Net loan receivables/Total liabilities	87,2%	74,4%	12,8%
Interest-earning assets/Total assets	75,4%	73,3%	2,1%
Average interest-earning assets/Average total assets	74,4%	69,0%	5,4%
Liquid assets/Total assets	19,8%	30,2%	-10,4%
Liquid assets/Total liabilities	24,1%	36,3%	-12,2%
Total deposits/Total assets	4,8%	11,0%	-6,2%
Total deposits/Total liabilities	5,8%	13,2%	-7,4%
Total deposits/Shareholders' equity	26,7%	64,8%	-38,1%
Tangible common equity/Tangible assets	15,0%	14,7%	0,3%
Tangible common equity/Net receivables	20,3%	23,2%	-3,0%
Net Loan Receivables/Equity (times)	4,0	3,6	9,9%
<b>Asset quality</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Loan loss reserve/Gross receivables from client	6,3%	7,9%	-1,6%
Average loan loss reserve/Average gross receivables from clients	7,0%	8,9%	-1,9%
Cost of risk	9,1%	9,5%	-0,3%
Gross NPL ratio	9,0%	11,9%	-2,9%
Impairment coverage ratio	69,7%	65,7%	4,0%
<b>Selected operating data</b>	<b>12M/2024</b>	<b>12M/2023</b>	<b>Δ in %</b>
Number of employees (adjusted to full-time)	922	939	-1,8%
Average monthly gross salary in group (in EUR)	2.262	2.180	3,8%

## DEFINITIONS

**EBITDA** – EBITDA means for the reporting period prior the calculation date, the consolidated net earnings of the Borrower prepared in accordance with the IFRS before any provision on account of taxation, depreciation and amortization, any interest, commissions, discounts and other fees incurred in respect of any financial debt or any interest earned on debts

**Adjusted EBITDA** – A non-IFRS measure that represents EBITDA (profit for the period plus tax, plus interest expense, plus depreciation and amortization) adjusted for income/loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS, goodwill write-offs and certain other one-off or non-cash items

**Adjusted interest coverage** – Adjusted EBITDA/interest expense

**Cost of risk** – Annualized net impairment charges/average gross loan portfolio (total gross loan portfolio as of the start and end of each period divided by two)

**Cost/income ratio** – Operating costs/operating income

**Equity/assets ratio** – Total equity/total assets

**Equity/net loan portfolio** – Total equity/net customer receivables (including accrued interest)

**Gross NPL ratio** – Non-performing loan portfolio (including accrued interest) with a delay of over 50 days/gross loan portfolio (including accrued interest)

**Gross loan portfolio** – Total amount receivable from customers, including principal and accrued interest, after deduction of deferred income

**Impairment coverage ratio** – Total impairment/gross NPL (+50 days overdue)

**Intangible assets** – Intangible IT assets (software and developments costs)

**Interest and similar income** – Generated from our customer loan portfolio

**Loss given default** – Loss on non-performing loan portfolio (i.e., 1 – recovery rate) based on recoveries during the appropriate time window for the specific product, reduced by costs of collection, discounted at the weighted average effective interest rate

**Net effective annualized yield** – Annualized interest income (excluding penalties)/average net loan principal

**Net impairment to interest income ratio** – Net impairment charges on loans and receivables/interest income

**Net interest margin** – Annualized net interest income/average gross loan principal (total gross loan principal as of the start and end of each period divided by two)

**Net loan portfolio** – Gross loan portfolio (including accrued interest) less impairment provisions

**Non-performing loans (NPLs)** – Loan principal or receivables (as applicable) that are over 50 days past due

**Overall provision coverage** – Allowance account for provisions/non-performing receivables

**Profit before tax margin** – Profit before tax/interest income

**Performing customers** – Online lending customers with open loans that are up to 30 days past due

**Poorly performing customers** – Online lending customers with open loans that are over 30 days and less than 50 days past due

**Return on average assets** – Annualized profit from continuing operations/average assets (total assets as of the start and end of each period divided by two)

**Return on average equity** – Annualized profit from continuing operations/average equity (total equity as of the start and end of each period divided by two)

**Tangible equity** – Total equity minus intangible assets

**STAGE 1** – The 12MECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12MECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

**STAGE 2** – When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

**STAGE 3** – For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar for Stage 2 assets, with the PD set at 100%.

**Iute Non-Bank** – Iute Group’s lending business is focused on performing customers and avoiding poorly performing or defaulting customers. Accordingly, fee income predominantly results from performing customers and primary fees. Primary loan agreement commission fees are charged for receiving, processing loan applications and issuing loans, or modifying valid loan conditions. Interest is charged on the outstanding principal loan amounts. Other primary fees are charged for various services. Secondary fees are applied as a consequence of non-performance of loan repayment payments on the due date. Secondary fees are used to offset the Group’s exposure to payments past due related to the original loan agreements. Secondary fees are accounted as collected, whereas primary fees are accounted as accrued.

**Energbank** – Iute Groups’ banking business primarily generates interest revenues, investment revenues, and no-interest revenues. Primary loan agreement commission fees are charged for receiving, processing loan applications and issuing loans, or modifying valid loan conditions and are recognized as interest revenues generated by the loan portfolio (retail and corporate). Interest is charged on the outstanding principal loan amounts. Other primary fees are charged for various services. Secondary fees are applied as a consequence of non-performance of loan repayment payments on the due date, being accounted as collected, whereas primary fees are accounted as accrued. Investment revenues mainly result from fixed and variable revenues from mid-term treasury bills and government bonds (both with a maturity of up to 12 months), payable at maturity or monthly. Non-interest revenues consist mainly of fees and commissions for accounts servicing, bank card (VISA, MasterCard) transactional fees, money transfer systems (Western Union, MoneyGram, etc.), and currency exchange.

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## **ABOUT IUTE GROUP**

Iute Group is a fintech company established in 2008 in Estonia. The Group specializes in consumer finance, payment services, banking, and insurance products. It serves customers in Albania, Bulgaria, Moldova, and North Macedonia. Iute Group finances its loan portfolios with equity, deposits, and secured bonds on the Regulated Market of the Frankfurt Stock Exchange and the Nasdaq Baltic Main List.

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