IUTECREDIT FINANCE S.À R.L.

Annual report for the year ended 31 December 2024

Address:	16, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Registry code:	B234678

Contents

General information and contacts

Address:	16, rue Eugène Ruppert
	L-2453 Luxembourg
	Grand Duchy of Luxembourg
Registry code:	B234678
Main activity:	Financing company
Auditor:	KPMG Audit S.à r.l.
Reporting period:	1 January 2024 – 31 December 2024
Share capital:	EUR 12 thousand

Management report for the financial year 2024

In accordance with our duties as Board of Managers of IuteCredit Finance S.à r.l. (the "Company"), we herewith submit to the shareholder of the Company the financial statements for the financial year ended 31 December 2024 (hereinafter, "2024").

Executive overview

IuteCredit Finance S.à r.l. (hereinafter "the Company") started its business activity in May 2019. The financial year 2024 was the fifth full year of operations for the Company. The Company`s main business activity is acting as a financing intermediary for its parent company – Iute Group AS which is registered and located in the Republic of Estonia. The Company is included in the consolidated financial statements of Iute Group AS which can be found on the official website of Iute Group AS www.iute.com.

Iute Group AS is a holding company which issues consumer and corporate credits and offers personal finance services via its owned operating subsidiaries in local markets. As at 31 December 2024, Iute Group AS had eleven operating subsidiaries:

1. ICS OMF IuteCredit SRL (**ICM**) in Moldova,
2. IuteCredit Albania SHA (**ICA**) in Albania,
3. IuteCredit Macedonia DOOEL–Skopje (**ICMK**) in North Macedonia,
4. IutePay Bulgaria EOOD (**IutePay Bulgaria**) in Bulgaria,
5. IuteCredit Bulgaria EOOD (**ICBG**) in Bulgaria,
6. MKD IuteCredit BH d.o.o. Sarajevo (**ICBH**) in Bosnia and Herzegovina,
7. IuteCredit Finance S.a.r.l. (**ICF**) in Luxembourg,
8. IutePay Sh.P.K. **(IPA)** in Albania,
9. BC Energbank S.A (**EB**) in Moldova,
10. IuteCredit Romania IFNSA **(ICRO)** in Romania,
11. Iute Safe AD Skopje (ISMK) in North Macedonia.

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 senior secured bonds (ISIN: XS2378483494) issued by the Company.

Financial review

Statement of profit and loss and other comprehensive income
The Company recorded a net profit of EUR 110 thousand for the reporting year ended 31 December 2024. Operating revenues amounted to EUR 18 367 thousand which consisted of interest income from granted loans to the parent entity.

The loans granted to the parent entity were financed by the issuance of bonds by the Company and the Company incurred financial expenses in the financial year in a total amount of EUR 18 160 thousand (including additional expected credit loss recognized in the amount of EUR 1 677 thousand).

Operating expenses amounted to EUR 102 thousand which were related to legal and consultation services purchased in 2024.

Statement of financial position
Total assets on 31 December 2024 amounted to EUR 123 917 thousand and liabilities amounted to EUR 123 667 thousand. The assets consist mostly of interest and loan receivable. The liabilities mostly consist of accrued interest payables and bond liabilities.

As at 31 December 2024 the liquidity ratio of the Company was 4,92.

The equity of the Company is in the amount of EUR 250 thousand as at 31 December 2024.

Future development

Considering the ongoing war in Ukraine which globally adds a level of uncertainty to the environment for the upcoming periods, the management of the Company believes that the effects will be very marginal, if any, for the Company as it does not have direct economic relations with counterparties of the war. Also, Iute Group AS does not have any direct economic relations with counterparties of the war which could cause difficulties for the group to settle timely its liabilities with the Company. The management of the Company will focus its activities in the financial year 2025 on the main business operations and stay alert to any circumstance which may impact negatively the Company`s business operations.

Research & Development

No research and development costs occurred in the financial year ended 31 December 2024.

Acquisition of own shares

No acquisition of own shares has occurred in the financial year ended 31 December 2024.

Free shares

As at 31 December 2024, the Company has not granted any free shares to members of the Management of the Company. The Company is fully owned by Iute Group AS.

Existence of branches of the Company

The Company does not have any branches.

Risk management

The Company focuses in its operations on minimizing the potential adverse effects of the financial risks on the performance of the Company. The main focus is on management of risks arising from overall market conditions, in interest rates development on the financial market and their possible impact on the Company`s liquidity and capital as described in Note 6 Financial risk management policies of the financial statements.

Audit committee

Based on Art. 1 (20) of the Law of July 23, 2016 concerning the audit profession, the Company is classified as a public-interest entity. Based on Art. 52 (1), a public-interest entity shall establish an audit committee. However, based on Art. 52 (5) a), the Company is exempted from this obligation as an audit committee has been established at group level.

Corporate Governance Statement

Introduction

The Company is subject to and complies with – among the others – the Luxembourg law of 10 August 1915 on commercial companies, as amended and the law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Luxembourg Company Law"), as well as the Rules and Regulations of the Frankfurt Stock Exchange. The Company does not apply additional requirements in addition to those required by the above.

Powers of the Shareholder

The shareholder`s general meeting exercises the power granted by the Luxembourg Company Law including:

- appointing and removing the managers (the “Managers”) and the statutory or independent auditor of the Company as well as setting their remuneration,
- approving the annual financial statements of the Company,
- amending the articles of association of the Company,
- deciding on the dissolution and liquidation of the Company,
- changing the nationality of the Company, and
- rights to amend the financial statements after their issue.

General Powers of the Board of Managers

The Company is currently managed by a Board of Managers (the “Board”) whose members have been appointed as one type A Manager and two type B Managers by the shareholder`s general meeting of the Company. In accordance with Luxembourg Company Law, each type A Manager and type B Manager may be removed at any time without cause (révocation ad nutum).

Meetings of the Board are convened upon request of the chairman of the Board or any two Managers of the Company as often as the interest of the Company so requires. The meetings of the Board are validly held if at the commencement of the meeting at least one type A Manager and one type B Manager is present or represented and decisions are validly taken by the majority of the Managers present or represented (including at least one type A Manager and at least one type B Manager). Any Manager may represent one or more other Managers at a Board meeting.

The Board of the Company may, from time to time, delegate its power to conduct the daily management (gestion journalière) of the Company to one or more Managers, i.e., the managing Manager(s) (administrateur(s) délégué(s)), commit the management of the affairs of the Company to one or more Managers or give special powers for determined matters to one or more proxy holders.

Pursuant to its articles of association, according to which the Company is administrated by the Board comprising several categories of Managers, it shall be bound by the joint signatures of a type A Manager and a type B Manager. Thus, the "four eyes" principle is established.

Based on the articles of association of the Company, Managers of each category are vested with the same individual powers and duties. The Managers of type B are Luxembourg residents, whereas the Manager of type A is not a Luxembourg resident and at the same time holds the position of CEO within the Company.

Financial reporting and auditing

The annual financial statements of the Company are audited. The Annual General Meeting of shareholders appoints the auditor. At the shareholder`s meeting on 10 June 2024, KPMG Audit S.à r.l. was appointed as the Company`s auditor for financial year 2024.

One member of the Board of Managers has been appointed as responsible for financial reporting and auditing. The responsible member ensures the high quality of financial reporting by monitoring closely daily transactions and preparing monthly financial statements by using financial accounting and reporting software.

Ownership

The Company`s significant ultimate shareholders are Tarmo Sild with 34,88% and Allar Niinepuu with 43,60% as of period end, with all other shareholders holding less than 5%.

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Subsequent events

On 9 April 2025, the Company started with conditional offer to exchange its EUR 2021/2026 Bonds (ISIN XS2378483494) for new EUR 2025/2030 Bonds, or alternatively, to tender the EUR 2021/2026 Bonds for a cash payment.

The terms of a conditional exchange and cash tender offer are:

- The exchange and cash tender offer is conditional, including but not limited to the requirement that a minimum of EUR 75 million of the EUR 2021/2026 Bonds be tendered and/or exchanged.
- Under the exchange offer, New Senior Secured EUR 2025/2030 Bonds will be issued at an exchange ratio of 1 to 1. These new bonds will carry a minimum annual interest rate of 11.0% and be issued on market-standard terms and conditions, comparable to those of the EUR 2021/2026 Bonds.
- Investors participating in the exchange offer will receive an additional cash incentive of EUR 2.50 (2.5%) per each EUR 100.00 nominal amount exchanged. They will also receive unpaid accrued interest in cash from 6 April 2025 through the settlement date of the exchange but no later than 15 June 2025.
- Investors participating in the Cash Tender offer will receive a cash payment of EUR 99.00 per each EUR 2021/2026 Bonds tendered, plus unpaid accrued interest in cash from 6 April 2025 through the settlement date of the cash payment but no later than 15 June 2025.
- The Conditional Exchange and Cash Tender offer period for holders of EUR 2021/2026 Bonds will run from 9 April 2025 to 7 May 2025, 14:00 CEST/15:00 EEST.

There have been no other subsequent events which would cause corrections in the reported financial information, or which should be additionally disclosed as subsequent event.

The Board of Managers of the Company declares the sustainability of the Company within next 12 months from the date of signing of the annual report.

Profit allocation

The Board of Managers recommends to the shareholder to allocate from the net annual profit of the financial year 2024 EUR 110 thousand to the retained earnings.

* * *

We recommend that the shareholder of the Company approves the financial statements as presented to them and kindly ask the shareholder to grant discharge to the Managers of the Company for the exercise of their mandate during the financial year ended 31 December 2024.

Luxembourg, 29 April 2025	Luxembourg, 29 April 2025
	DocuSigned by: 54448A414D734FE...
Kristel Kurvits	Ann Leonie Lauwers
Manager	Manager

Financial statements

Statement of Profit and Loss and Other Comprehensive Income

in thousand EUR	Notes	2024	2023 restated*
Interest income	7	18 367	19 146
Interest expense	8	-16 483	-19 037
Net interest income		**1 884**	**109**
Other income		2	0
Total other income		**2**	**0**
Legal services, notary and bank fees	9	-102	-112
Allowances for loan impairment	11	-1 677	50
Total operating expenses		**-1 779**	**-62**
Profit (-loss) before tax		**107**	**47**
Income tax expense**		3	-18
Profit (-loss) for the reporting period		**110**	**29**
Other comprehensive income		0	0

*The comparative information has been restated due to correction of errors. See Note 18.

** In financial year 2024, the Company`s corporate income tax expense amounted to EUR 23 (2023: EUR 60) thousand and the Company received tax return in the amount of total EUR 26 (2023: EUR 42) thousand.

Notes on pages 12-33 are an integral part of the financial statements.

Statement of Financial Position

in thousand EUR	Notes	31.12.2024	31.12.2023 restated*
Assets			
Non-current assets			
Loan receivables	11	107 749	106 724
Total non-current assets		***107 749***	***106 724***
Current assets			
Accrued interest from loan receivable	11	16 149	8 208
Cash and cash equivalents	10	19	28
Total current assets		***16 168***	***8 236***
Total assets		**123 917**	**114 960**
Equity and liabilities			
Equity			
Share capital	13	12	12
Reserves		1	1
Accumulated profit (-loss)		237	127
Total equity		***250***	***140***
Non-current liabilities			
Interest bearing loans and borrowings	12	120 384	111 542
Total non-current liabilities		***120 384***	***111 542***
Current liabilities			
Accrued interest on interest bearing loans and borrowings	12	3 278	3 278
Trade payables		6	0
Total current liabilities		***3 283***	***3 278***
Total liabilities		***123 667***	***114 820***
Total equity and liabilities		**123 917**	**114 960**

*The comparative information has been restated due to correction of errors. See Note 18.

Notes on pages 12-33 are an integral part of the financial statements.

Statement of Changes in Equity

in thousand EUR	Share capital	Legal reserve	Retained earnings	Total
01.01.2023	**12**	**1**	**98**	**111**
Profit for the reporting period	0	0	29	29
Other comprehensive income	0	0	0	0
31.12.2023	**12**	**1**	**127**	**140**
01.01.2024	**12**	**1**	**127**	**140**
Profit for the reporting period	0	0	110	110
Other comprehensive income	0	0	0	0
31.12.2024	**12**	**1**	**237**	**250**

Additional information about share capital and legal reserve is disclosed in Note 13.

Notes on pages 12-33 are an integral part of the financial statements.

Statement of Cash Flows

in thousand EUR	Notes	2024	2023
Paid trade payables		-384	-1 978
Received other claims		27	0
Corporate income tax paid		-24	-18
Loan given to parent entity	11	-7 696	-6 613
Loan repaid by parent entity	11	3 380	17 360
Interest received		10 299	19 740
Net cash flows from operating activities		**5 602**	**28 491**
Proceeds from issuance of bonds	12	10 450	11 878
Payments for repurchases of bonds	12	-2 313	-24 915
Interest paid	12	-13 750	-15 454
Net cash flows from financing activities		**-5 613**	**-28 491**
Change in cash and cash equivalents		**-9**	**0**
Cash and cash equivalents at the beginning of the period		**28**	**28**
Change in cash and cash equivalents		-9	0
Cash and cash equivalents at the end of the period	**10**	**19**	**28**

Notes on pages 12-33 are an integral part of the financial statements.

Notes to the financial statements

1 Corporate information

The accompanying financial statements of IuteCredit Finance S.à r.l. (the Company) for the period from 1 January to 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Managers on 29 April 2025.

IuteCredit Finance S.à r.l. is a limited liability company incorporated and domiciled in Luxembourg. The registered office is located at 16, rue Eugène Ruppert, Luxembourg. The Company was founded on 20 May 2019.

The sole shareholder of the Company is Iute Group AS which is registered and located in the Republic of Estonia. The Company`s significant ultimate shareholders are Tarmo Sild with 34,88% and Allar Niinepuu with 43,60% as of period end, with all other shareholders holding less than 5%.

The Company has issued EUR 125 000 thousand of senior secured bonds (ISIN: XS2378483494) at Frankfurt Stock Exchange and on the Regulated Market of the Nasdaq Tallinn Stock Exchange with a fixed coupon rate 11% and with maturity on 6 October 2026. Interest is payable semi-annually on 6 April and 6 October of each year. Interest will accrue from the issue date by actual days. The obligations of the issuer are guaranteed and pledged on a senior secured basis by Iute Group AS and its subsidiaries taking into consideration all present and future receivables and bank accounts.

The financial year of the Company starts on 1 January and ends on 31 December.

2 Adoption and interpretation of new or revised standards and new accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2024. In the reporting period the Company has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants – Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date.

The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current

The amendments did not have a material impact on the Company.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments did not have a material impact on the Company.

Amendments to Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. The new disclosures must provide information about:

- The terms and conditions of SFAs.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities in (2).
- Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities are required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The amendments did not have a material impact on the Company.

3 Standards issued but not yet effective and not early adopted

The following new standards, interpretations and amendments are not yet effective for the reporting year ended 31 December 2024 and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when they become effective.

Amendments to IAS 21 - Lack of Exchangeability

(Effective for annual periods beginning on or after 1 January 2025. Early application is permitted)

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary

The Company does not expect the amendments to have a material impact on its financial statements when initially applied.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

(Effective for annual periods beginning on or after 1 January 2026. Early application is permitted.)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Company does not expect the amendments to have a material impact on its financial statements when initially applied.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

(Effective for annual periods beginning on or after 1 January 2027. Early application is permitted)

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;

- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company has not yet assessed the impact of the new standard on its financial statements when initially applied. The assessment will be made one year before the effective date of the standard.

4 Summary of material accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These financial statements have been prepared under historical cost basis, unless otherwise stated. The Company classifies its expenses by their nature.

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

When the presentation or classification of items in the financial statements is amended, comparative amounts for the previous period are also reclassified, if not specified differently under the relevant accounting principle.

Reporting currency

The financial statements are presented in thousands of Euros and all values are rounded to the nearest Euro (EUR). Due to this approach there might be rounding differences within different tables of the financial statements.

Functional currency

The Company`s functional currency is Euro (EUR).

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above. The cash flows of the Company are prepared by using the direct method.

Recognition of interest income

The Company measures interest income by applying the effective interest rate (EIR) to the gross carrying amount of its financial assets measured at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset when the asset has become credit impaired.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle.

Financial instruments

Financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Company becomes a party to the contractual provisions on the instrument.

Financial assets

The Company initially measures a financial asset at its fair value plus, in case of a financial asset not valued at fair value through profit or loss, transaction costs. With a view on the Company`s Business Model which is "hold to collect" the Company classifies and measures financial assets at amortized cost.

The Company classifies and measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company`s financial assets at amortised cost include loan receivables.

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

A financial asset is derecognized when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual right to receive cash flows from the financial asset or;
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to third party under a "pass-through" arrangement.

Business model assessment

The Company`s business model assessment is based on a reasonably expected scenario. If cash flows after initial recognition are realized in a way that is different from the Company`s expectations, the Company does not change the classification of the remaining financial asset held in the business model.

Financial liabilities

Financial liabilities are initially recognized on the statement of financial position at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs. The Company`s financial liabilities include trade payables and borrowings.

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortized cost.

Amortized cost is calculated by considering any discount or premium on issued funds, and costs are an integral part of the EIR.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Expected losses on financial assets are recognized and measured using general approach.

The Company measures debt instruments (loans) at amortized cost using the ECL. The Company determines the ECL and creates provisions for credit losses at each reporting date. The principle of determining the ECL reflects: (i) an objective transaction-weighted amount determined by analysing a range of possible outcomes, (ii) the time value of money, and (iii) all reasonable and provable information about past events, current conditions and future projections available at the end of each reporting period without undue cost or effort. The future projections are estimated based on the financial forecast of the parent company which is the sole debtor of the Company. Taking into account that the parent company`s performance is related to the recoverability of the receivables in subsidiaries located in different locations, the Company uses GDP growth and unemployment rates of countries where the parent company`s subsidiaries are operating, as a forward looking information.

For monitoring of impairment under IFRS 9, the Company applies the general approach of a three-stage impairment model based on changes in credit quality since initial recognition.

A financial instrument that is not impaired at initial recognition is classified as a Stage 1 financial instrument. A Stage 1 financial asset is valued at an amount equal to the portion of the lifetime ECL that will arise in the event of default within the next 12 months or until the contractual maturity, whichever is shorter.

Where the Company identifies a significant increase in credit risk from initial recognition, the relevant asset is transferred to Stage 2 and its ECL is determined using the lifetime ECL.

If the Company determines that a financial asset is impaired, the asset is transferred to Stage 3 and measured using a lifetime ECL.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to gross carrying amount of the financial asset. When a financial asset becomes credit-impaired and is therefore regarded as Stage 3, the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating income on a gross basis.

The Company considers a financial asset in default when contractual payments are 50 days past due or when indications exist that the debtor is experiencing significant financial difficulty, default or delinquency in receivable, interest or principal payments, the probability that it will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

A financial asset is written off when all legal actions have been performed by the Company to recover receivable and the Company has no reasonable expectation of recovering the contractual cash flows.

Fair value measurement

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

If there is no market price for a given financial asset or liability, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments or, in the absence thereof, by using mathematical measurement models that are sufficiently tried and trusted by the international financial community. The estimates used in such models take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with the asset or liability. However, the limitations inherent in the measurement models and possible inaccuracies in the assumptions and parameters required by these models may mean that the estimated fair value of an asset or liability does not exactly match the price for which the asset or liability could be exchanged or settled on the date of its measurement.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The detailed information about financial instruments fair value assessment is presented in Note 14.

Segment reporting

An operating segment is a component of a company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are reviewed regularly by management of the company, which is also the Company`s chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

For management purpose, the Company is considered as a single operating segment which is involved in the provision of financing.

The Company does not distinguish geographical segments, as all of the Company`s income is derived from one country (Estonia) and the Company has no other locations which should be separately disclosed.

Distinction between short – and long-term assets and liabilities

The Company presents its assets and liabilities in the statement of financial position based on short-term/long-term classification.

Assets from which resources are expected to flow to the Company within 12 months are recognized as current assets.

The portion of assets with expected cash inflows later than 12 months after the end of the reporting period are recognized as non-current assets (see also section 6 Financial risk management policies).

Liabilities are classified as current when they are due within 12 months after the end of the reporting year or if the Company does not have an unconditional right to defer the payment for later than 12 months after the end of the reporting year. Financial liabilities received with due date within 12 months after the end of the reporting year which are refinanced as non-current after the end of the reporting period but before the financial statements are authorized for issue, are recognized as current. Loans received that the lender has the right to recall at the end of the reporting year due to breaches of contractual terms are also classified as current.

For all long-term assets and liabilities, the long-term portion is separately disclosed in the respective disclosure to these financial statements (see also section 6 Financial risk management policies).

Offsetting financial transactions

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legal right to offset transactions and an intention to settle net or realize the asset and settle the liability simultaneously.

5 Significant accounting judgements, estimates and assumptions

The preparation of the Company s financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company`s accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Company`s control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

Going concern

The Board of Managers has assessed the Company`s ability to continue as a going concern. The Company`s going concern ability depends directly on the parent company`s financial performance, therefore the parent company`s financial performance related information is exchanged between the parent company and the Company on an ongoing basis. Based on the parent company financial performance, the Board of Managers of the Company is not aware of any events or conditions that may cast significant doubt on the Company's ability to continue as a going concern as the parent company`s financial results, as of 31 December 2024, were strong and no significant downgrade in the financial position and business operations of the parent company are foreseen. In addition, the Company does not have overdue receivables from the parent company and there have been no such circumstances which would indicate the late payments by the parent company to the Company for its liabilities which may cause liquidity risk to the Company. The Company`s Board of Managers has performed the going concern analysis on 17 March 2025. Accordingly, the financial statements of the Company are prepared on a going concern basis.

The Board of Managers assessed the potential impact of war in Ukraine and relevant events on the financial statements, including going concern assumption. The Board of Managers has assessed that this matter will not affect the Company`s ability to continue as a going concern. The assessment takes into account also the possible impact of this event on the parent company`s business operations which has operated and continues to operate without any disruption.

The Board of Managers of the Company declares a going concern of the Company within next 12 months from the date of signing of the annual report.

6 Financial risk management policies

The business of the Company involves several financial risks: market risk (interest risk, currency risk, credit risk and liquidity risk) and business risk. Its risk management is aimed to minimize the negative impact of these risks to the Company`s financial results. The main purpose of the risk management is to assure the retention of the Company`s equity and to carry the Company`s activities as a going concern.

Market risks

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All the Company`s loan commitments bear fixed interest rate and therefore, pose no significant risk on the Company`s cash-flows.

Currency risk
The currency risk arises in case of exchange currency transactions, which are performed with currencies not related to euro. To ground the currency risk, all the relevant contracts in the Company are signed in euro. Due to the fact that Company`s assets and liabilities are all in euro and all of the Company`s income comes from and expenses occurs from euro-based contracts, the Company is not exposed to currency risk.

Credit risk
The Credit risk expresses potential loss that occurs, when counterparties do not fulfil their contractual obligations to the Company resulting in financial loss. The Company is exposed to credit risk arising from its operating (mainly loan receivables) and investing activities. The credit risk is evaluated by the Board of Managers of the Company monthly, considering the creditor`s financial performance, financial position, future business development.

As at 31 December 2024, the maximum credit risk arising from all receivables is in the amount of EUR 123 898 (31 December 2023: EUR 114 932) thousand.

The aging structure of receivables is as follows:

in thousand EUR	31.12.2024	31.12.2023 restated*
Not due	123 898	114 932
including accrued interest from loan receivables	*16 149*	*8 208*
including loan receivables	*107 749*	*106 724*
TOTAL	**123 898**	**114 932**

*See also Note 18.

Loan receivable and related accrued receivables are receivable from the parent company. The Board of Managers has assessed the potential 12-month expected credit loss from the receivables considering the parent company`s financial position and financial performance. Based on the assessment, the Board of

Managers has identified 12-month expected credit loss for receivables as at 31 December 2024 in the amount of EUR 2 176 (31 December 2023: EUR 499) thousand. See also Note 4 and Note 11.

The cash and cash equivalents are held in BPER Bank Luxembourg S.A. accounts, based on latest Fitch Ratings, the rating of the Bank is BB; and in LHV Pank AS (Estonia) accounts, based on latest Moody`s Investors Service, the rating of the Bank is Baa1.

Liquidity risk

Liquidity risk expresses the potential risk that if the Company`s financial condition will change and that the Company`s ability to settle its liabilities on time will degrade. The Company manages liquidity risk by constantly monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Undiscounted financial liabilities of the Company by maturity dates are presented below:

in thousand EUR	31.12.2024	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Eurobonds **	159 695	13 750	145 945	EUR	11%
Trade payables	6	6	0	EUR	
TOTAL	**159 701**	**13 756**	**145 945**		

in thousand EUR	31.12.2023 restated*	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Eurobonds **	162 973	13 750	149 223	EUR	11% and 13%
TOTAL	**162 973**	**13 750**	**149 223**		

*See also Note 18.

** Including undiscounted principal outstanding as at 31 December 2024 of EUR 125 000 (31 December 2023: EUR 125 000) thousand and estimated total undiscounted future interest payments as at 31 December 2024 of EUR 34 695 (31 December 2023: EUR 37 973) thousand.

The maturity of undiscounted receivables is as follows:

in thousand EUR	31.12.2024	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Loans and interest receivable ***	**146 674**	28 192	118 482	EUR	11%
TOTAL	**146 674**	**28 192**	**118 482**		

in thousand EUR	31.12.2023 restated*	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Loans and interest receivable ***	**145 555**	19 842	125 713	EUR	11%
TOTAL	**145 555**	**19 842**	**125 713**		

*** Including undiscounted principal outstanding as at 31 December 2024 of EUR 109 475 (31 December 2023: EUR 105 440) thousand and estimated total undiscounted future interest payments as at 31 December 2024 EUR 37 199 (31 December 2023: EUR 40 115) thousand.

The Company`s ability to fulfil its liabilities is dependent mostly on the parent company`s financial performance and its ability to fulfil its own obligations towards the Company. Therefore, the parent company`s financial performance related information, including cash flow forecasts, is exchanged between the parent company and the Company on an ongoing basis.

Business risk

The Board of Managers of the Company assesses the main business risk arising from issued bonds. The Company`s activity is subject to the financial covenants measurement on a quarterly basis upon submission of the annual audited consolidated reports and interim unaudited quarterly consolidated reports of Iute group. The financial covenants are measured on Iute group level which comprises of the parent company Iute Group AS and its subsidiaries, in addition to the Company, ICS OMF IuteCredit SRL, IuteCredit Albania SHA, IuteCredit Macedonia DOOEL–Skopje, IutePay Bulgaria EOOD, IuteCredit Bulgaria EOOD, MKD IuteCredit BH d.o.o. Sarajevo, IutePay Albania SH.P.K, BC Energbank S.A., IuteCredit Romania IFNSA and Iute Safe AD Skopje.

The financial covenants are: interest coverage ratio should not be less than 1.5 and capitalization ratio should not be less than 15%.

Capitalization ratio is calculated as follows: Iute group consolidated equity/Iute group consolidated net finance loans and advances to customers.

Interest coverage ratio is calculated as follows: Iute group consolidated adjusted EBITDA*/Iute group consolidated interest expense.

The ratios for covenants were following:

	31.12.2024	31.12.2023
Capitalization		
Equity/Net finance loans and advances to customers	25,0%	27,5%
	2024	**2023**
Profitability		
Interest coverage ratio (ICR): adjusted EBITDA/interest expenses	1,7	1,7

The Board of Managers constantly observes the covenants required to be fulfilled by the Eurobond issuance. The Group has complied with the requirements in 2024 and 2023.

*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.

Capital management

The Company`s primary objective of capital (both debt and equity) management is to ensure a level of capital structure, which would support the stability of the Company`s operation, continuity of its operation and meeting the financial covenants agreed for the issued bonds as described in subsection "Business risk" above. To preserve and adjust the capital structure, the Company may regulate the dividends payable to the shareholder, resell shares, change the nominal value of shares, issue new shares or sell assets to cover liabilities. See also Note 13.

7 Interest income

in thousand EUR	2024	2023 restated*
Interest on loans	18 367	19 146
TOTAL	**18 367**	**19 146**

Interest on loans is earned from the loan issued to the parent company Iute Group AS.

*See also Note 18.

8 Interest expense

in thousand EUR	2024	2023 restated*
Interest on bonds	-16 483	-19 037
TOTAL	**-16 483**	**-19 037**

Interest expense solely incurred with respect of the issued bonds on the market. Interest expense also includes transactions with related parties. See also Note 15.

*See also Note 18.

9 Other operating expenses

in thousand EUR	2024	2023
Legal service, notary and bank fees	-102	- 112
TOTAL	**-102**	**-112**

In 2024, legal service fees include legal annual audit fees (excluding VAT and Administrative Charges) in the amount of EUR 32 (2023: EUR 30) thousand.

10 Cash and cash equivalents

in thousand EUR	31.12.2024	31.12.2023
Bank accounts	19	28
TOTAL	**19**	**28**

11 Loan receivables

in thousand EUR	31.12.2024	31.12.2023 restated*
Loan receivables	107 749	106 724
Accrued interest from loan receivables	16 149	8 208
TOTAL	**123 898**	**114 932**

As at 31 December 2024, the Company has one loan outstanding with maturity on 1 October 2026 and with an interest rate of 11%. The loan is recorded at amortized cost by using an effective interest rate of 10,32%. The interest is payable semi-annually on 6 April and 6 October of each year. The loan repayment date is the loan maturity date.

The movement of loan receivables is as follows:

in thousand EUR	
Loan at amortized cost 31.12.2023	**106 724**
Loan given*	6 080
Loan repaid**	-3 626
Expected credit loss recognized	-1 429
Loan at amortized cost 31.12.2024	**107 749**
Loan at amortized cost 31.12.2022	**115 708**
Loan given*	9 595
Loan repaid**	-18 618
Reversal of recognized expected credit loss	39
Loan at amortized cost 31.12.2023 restated*	**106 724**

*The amount representing the loan given includes also impact from change in EIR balance. In 2024, the impact amounted to EUR 1 616 thousand as a decrease of loan receivable (2023: EUR 2 982 thousand as an increase of loan receivable). The impact of amortized cost calculation is a non-monetary movement and therefore it is not presented in the statement of cash flows.

** In 2024, the Company has settled with the parent company loan receivables in the amount of EUR 246 (2023: EUR 1 258) thousand. The settlement was done with liabilities the parent company paid on behalf of the Company. The settlement was non-monetary and therefore it is not presented in the statement of cash flows.

The total maturity of receivables is as follows:

in thousand EUR	31.12.2024	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
Loan receivables	**107 749**	0	107 749	EUR	11%
Accrued interest from loan receivables	**16 149**	16 149	0	EUR	
TOTAL	**123 898**	**16 149**	**107 749**		

in thousand EUR	31.12.2023 restated*	Maturity Up to 1 year	1 to 5 years	Currency	Interest
Loan receivables	**106 724**	0	106 724	EUR	11%
Accrued interest from loan receivables	**8 208**	8 208	0	EUR	
TOTAL	**114 932**	**8 208**	**106 724**		

The loan receivables and related accrued interest receivables are assessed to be in Stage 1 in accordance with IFRS 9 in respect of ECL measurement. The Board of Managers has assessed the credit risk of the borrower and determined 12-month expected credit loss for the receivables as presented in the following table.

in thousand EUR	31.12.2024	31.12.2023 restated*
Loan receivables	109 641	107 187
Expected credit loss	- 1 892	-463
Expected loss rate	1,73%	0,43%
Interest receivables	16 433	8 244
Expected credit loss	-284	-36
Expected loss rate	1,73%	0,43%

Changes in allowances for receivables are as follows:

in thousand EUR	Loan receivables 2 024	2 023 restated*	Interest receivables 2 024	2 023 restated*
Opening balance as at 1 January	**-463**	**-502**	**-36**	**-46**
Changes incurred in 1 January to 31 December				
Recognition of expected credit loss	-1 429	0	-248	0
Reversal of expected credit loss recognized	0	39	0	10
Closing balance as at 31 December	**-1 892**	**-463**	**-284**	**-36**

Please see also Note 4 for accounting policies and Note 15 for additional information on related parties.

*See also Note 18.

12 Financial liabilities

in thousand EUR	31.12.2024	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Eurobonds (excl. accrued interest)	**120 384**	0	120 384	EUR	11%
Accrued interest from bonds	**3 278**	3 278	0	EUR	
TOTAL	**123 662**	**3 278**	**120 384**		

in thousand EUR	31.12.2023 restated*	Maturity Up to 1 year	Maturity 1 to 5 years	Currency	Interest
Eurobonds (excl. accrued interest)	**111 542**	0	111 542	EUR	11%
Accrued interest from bonds	**3 278**	3 278	0	EUR	
TOTAL	**114 820**	**3 278**	**111 542**		

The Company has issued EUR 125 000 thousand of senior secured bonds (ISIN: XS2378483494) at Frankfurt Stock Exchange and on the Regulated Market of the Nasdaq Tallinn Stock Exchange with a fixed coupon rate 11% and with maturity on 6 October 2026. Interest is payable semi-annually on 6 April and 6 October of each year. Interest will accrue from the issue date by actual days. The obligations of the issuer are guaranteed and pledged on a senior secured basis by Iute Group AS and its subsidiaries taking into consideration all present and future receivables and bank accounts.

As at 31 December 2024, the Company holds bonds in the nominal value of EUR 2 741 (31 December 2023: EUR 10 878) thousand. The bonds hold on hand are shown in the statement of financial position in offset amount. In financial year 2024, the company has sold bonds held on hand in the amount of EUR 8 137 (2023: 0 EUR). In financial year 2024, the company has not redeemed any bond (2023: EUR 10 878 thousand)

The following changes in financial liabilities per bonds have occurred:

in thousand EUR	Bond with maturity 6 October 2026
Bonds in nominal value 31.12.2023	**125 000**
Bonds held on hand in nominal value 31.12.2023	**-10 878**
Bonds issued*	10 450
Bonds redeemed*	-2 313
Bonds in nominal value 31.12.2024	**125 000**
Bonds held on hand in nominal value 31.12.2024	**-2 741**
Bonds acquisition costs 31.12.2023	**-2 580**
Change in bonds acquisition costs	705
Bonds acquisition costs 31.12.2024	**-1 875**
TOTAL 31.12.2023	**111 542**
TOTAL 31.12.2024	**120 384**

in thousand EUR	Bond with maturity 7 August 2023	Bond with maturity 6 October 2026	Total
Bonds in nominal value 31.12.2022	**50 000**	**75 000**	**125 000**
Bonds held on hand in nominal value 31.12.2022	**0**	**0**	**0**
Bonds exchanged*	-24 936	24 936	**0**
Bonds refinanced*	-7 200	7 200	**0**
Bonds issued*	0	37 366	**37 366**
Bonds redeemed*	-17 864	- 19 502	**-37 366**
Bonds balance 31.12.2023	**0**	**125 000**	**125 000**
Bonds held on hand in nominal value 31.12.2023	**0**	**-10 878**	**-10 878**
Bonds acquisition costs 31.12.2022	**-948**	**-2 586**	**-3 534**
Change in bonds acquisition costs	948	6	**954**
Bonds acquisition costs 31.12.2023	**0**	**-2 580**	**-2 580**
TOTAL 31.12.2022	**49 052**	**72 414**	**121 466**
TOTAL 31.12.2023	**0**	**111 542**	**111 542**

*The amounts presented in the table are in bonds nominal value.

Reconciliation of movements of liabilities to cash flows arising from financing activities

in thousand EUR	Eurobonds
Balance 01.01.2024	**114 820**
Changes from financing cash flows	
Proceeds from issuance of bonds	10 450
Payment for repurchase of bonds	-2 313
Total changes from financing cash flows	**8 137**
Other changes	
Liability-related	
Change in bonds acquisition costs	705
Interest expenses	16 483
Interest paid	-13 750
Other changes*	-2 733
Total liability-related other changes	**705**
Balance 31.12.2024	**123 662**
Balance 01.01.2023	**126 227**
Changes from financing cash flows	
Proceeds from issuance of bonds	11 878
Payments for repurchases of bonds	-24 915
Total changes from financing cash flows	**-13 037**
Other changes	
Liability-related	
Change in bonds acquisition costs	954
Interest expenses	19 037
Interest paid	-15 454
Other changes*	-2 907
Total liability-related other changes	**1 630**
Balance 31.12.2023**	**114 820**

*Other changes represent non-monetary changes in the financial liability`s amortized cost recognized as interest expense during the reporting period.

** See also Note 18.

The financial liabilities include also liabilities payable to related parties. Please see Note 15 for additional information.

13 Shareholder`s equity

Share capital	31.12.2024 EUR	31.12.2023 EUR
Share capital	12 000	12 000
Number of shares	12 000	12 000
Nominal value of share	1,00	1,00

All shares are fully paid. Each share carries one vote at meetings of the Company, granting the holder the right to participate in the management of the Company, the distribution of profits and the distribution of residual assets on the dissolution of the Company. No dividends were proposed or declared in 2024 and 2023.

Legal reserve	EUR
Legal reserve as at 01.01.2023	1 200
Legal reserve as at 31.12.2023	1 200
Legal reserve as at 31.12.2024	1 200

Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.

14 Fair value measurement

The carrying amount of the Company`s assets and liabilities is a reasonable approximation of their fair value. The carrying amount of financial instruments approximates to their fair value.

As at 31 December 2024, the fair value of the bond from investors amounted to EUR 120 384 (31 December 2023: EUR 111 542) thousand, excluding interest in the amount of EUR 3 278 (31 December 2023: EUR 3 278) thousand. Loan claim amounted to EUR 107 749 (31 December 2023: EUR 106 724) thousand, excluding interest in the amount of EUR 16 149 (31 December 2023: EUR 8 208) thousand. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

In assessing the fair value of financial instruments, the Company uses a variety of methods and makes assumptions based on market conditions existing at the reporting date. The fair values of interest-bearing loans granted are estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values.

Fair value hierarchy for financial instruments not measured at fair value as at 31 December:

		Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets for which fair values are disclosed					
Loans and interest receivables	2024	0	0	123 898	**123 898**
Liabilities for which fair values are disclosed					
Bonds accrued interest payables	2024	0	0	123 661	**123 661**
Assets for which fair values are disclosed					
Loans and interest receivables	2023	0	0	114 932	**114 932**
Liabilities for which fair values are disclosed					
Bonds accrued interest payables	2023	0	0	114 820	**114 820**

15 Related parties

Parties are related if one party could control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties are defined as shareholders, and the Board of Managers, key management personnel, their close relatives, and companies in which they have a controlling interest as well as associated companies.

Sole shareholder of IuteCredit Finance S.à r.l. is Iute Group AS, registered in Estonia.

The Company`s management has not identified significant transfer pricing risks, as well as there are no significant price and tax risks arising from transactions between Company and the related parties. Transactions are entered into with related parties in the normal course of business.

The volumes of related party transactions for the period 1 January – 31 December are as follows:

in thousand EUR		**Loans granted***	**Calculated interest from loans granted**	**Loans repaid****	**Interest received**
Parent Company (Iute Group AS)	2024	11 183	15 797	3 626	9 642
Parent Company (Iute Group AS)	2023	14 682	18 478	32 035	19 141

in thousand EUR		Loans and borrowings received	Calculated interest on loan and borrowings	Loans repaid	Interest paid
Parent Company (Iute Group AS)	2024	0	511	0	627
Shareholders and related companies to them	2024	0	360	0	360
Parent Company (Iute Group AS)	2023	8 957	861	0	629
Shareholders and related companies to them	2023	0	410	7	491

The outstanding balances with related parties as at 31 December are as follows:

in thousand EUR		Loan receivable	Interest receivable	Loan and borrowings	Interest payable
Parent Company (Iute Group AS)	2024	107 749	16 149	4 482	116
Shareholders and related companies to them	2024	0	0	3 357	84
Parent Company (Iute Group AS)	2023	106 724	8 208	8 957	232
Shareholders and related companies to them	2023	0	0	3 280	79

*The movement includes monetary movements in amount of total EUR 7 696 (2023: EUR 6 613) thousand and non-monetary movements in amount of total EUR 3 487 (2023: 8 069) thousand.

** The movement includes monetary movements in amount of total EUR 3 380 (2023: EUR 17 360) thousand and non-monetary movements in amount of total EUR 246 (2023: 1 258) thousand.

During the financial year 2024 and in the financial year 2023 the Company did not employ personnel. Members of the Board of Managers were not remunerated. No advances and loans were granted during the financial period to the members of those bodies.

See also Notes 7,8, 11 and 12.

16 Commitments and contingent liabilities

Commitments

According to the issued bonds agreement, the bonds are guaranteed and pledged on a senior secured basis by Iute Group AS, the parent company of the Company, and its other subsidiaries taking into consideration all their present and future receivables and bank accounts until the maturity date of the bonds on 6 October 2026.

Contingent liabilities

According to issued bonds in the amount of EUR 125 000 thousand, the Company`s activity is subject to the financial covenants (interest coverage ratio and capitalization ratio) measurement on quarterly basis upon submission of the annual audited consolidated reports and interim unaudited quarterly consolidated reports. The financial covenants are measured on Iute group level which comprises of the parent company Iute Group

AS and its subsidiaries, in addition to the Company, ICS OMF IuteCredit SRL, IuteCredit Albania SHA, IuteCredit Macedonia DOOEL–Skopje, IutePay Bulgaria EOOD, IuteCredit Bulgaria EOOD, MKD IuteCredit BH d.o.o. Sarajevo, IutePay SH.P.K, BC Energbank S.A, IuteCredit Romania IFNSA and Iute Safe AD Skopje.

As of the balance sheet date, 31 December 2024, there was no breach in the financial covenants.

17 Operating segment

The Company is a single operating segment from a management reporting perspective based on its business activity. The Company`s activity is reviewed by the management of the Company which is also the Company`s chief operating decision maker.

Reporting on segment income, expenses, profit, assets and liabilities

Breakdown of income, expense and profit **in thousand EUR**	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023 restated***
Interest income	18 367	19 146
Interest expense	-16 483	-19 037
Other income	2	0
Legal services, notary and bank fees	-102	-112
Allowances for loan impairment	-1 677	50
Reportable segment profit (-loss) before tax	107	47
Reportable segment profit (-loss) for the reporting year	110	29

Breakdown of assets and liabilities **in thousand EUR**	**31.12.2024**	**31.12.2023 *restated**
Reportable segment assets		
Loan receivables	107 749	106 724
Accrued interest from loan receivable	16 149	8 208
Cash and cash equivalents	19	28
Total reporting segment assets	**123 917**	**114 960**
Reportable segment liabilities		
Interest bearing loans and borrowings	120 384	111 542
Accrued interest on interest bearing loans and borrowings	3 278	3 278
Trade payables	6	0
Total reporting segment liabilities	**123 667**	**114 820**

*See also Note 18.

Reconciliation of segment income, expenses, profit, assets and liabilities.

As the Company`s business activity is classified as one operating segment, then all income, expenses, profit, assets and liabilities reported in operating segment reporting are equal to income, expenses, profit, assets and liabilities reported in statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position.

18 Correction of prior year errors

In financial year 2023, the Company applied the offsetting method for presentation of balances and transactions related to issued bonds which were acquired by the parent company and these acquisitions were offset against the loan receivable from the parent company. The offsetting method was applied with consideration that these bonds acquired belongs in substance to the Company.

In 2024, the management of the Company reassessed the appropriateness of applying the offsetting method for balances and transactions related to bonds acquired by the parent company. As a result of the reassessment, the management concluded, that the offsetting method applied was not correct as not all conditions for offsetting were met. Therefore, the management of the Company has decided to correct prior year financial information and present balances and transactions related to bonds acquired by the parent company without offsetting them. Change in presentation of the assets and liabilities did not have any impact on the Company`s profit for the period reported and on the presentation of financial information in the statement of cash flows and in the statement of changes in equity.

The following tables summarizes the impact of the reassessment to the Company`s financial statements.

Statement of Financial Position in thousand EUR	**As reported 31.12.2023**	**Correction**	**Restated 31.12.2023**
Assets			
Non-current assets			
Loan receivables	98 432	8 292	106 724
Total non-current assets	***98 432***	***8 292***	***106 724***
Current assets			
Accrued interest from loan receivable	7 543	665	8 208
Others	28	0	28
Total current assets	***7 571***	***665***	***8 236***
Total assets	**106 003**	**8 957**	**114 960**
Equity and liabilities			
Equity			
Accumulated profit (-loss)	127	0	127
Others	13	0	13
Total equity	***140***	***0***	***140***
Non-current liabilities			
Interest bearing loans and borrowings	102 585	8 957	111 542
Total non-current liabilities	***102 585***	***8 957***	***111 542***
Current liabilities			
Accrued interest on interest bearing loans and borrowings	3 278	0	3 278
Total current liabilities	***3 278***	***0***	***3 278***
Total liabilities	***105 863***	***8 957***	***114 819***
Total equity and liabilities	**106 003**	**8 957**	**114 960**

Statement of Comprehensive Income in thousand EUR	**As reported 2023**	**Correction**	**Restated 2023**
Interest income	18 478	668	19 146
Interest expense	-18 408	-629	-19 037
Allowances for loan impairment	88	-39	50
Others	-130	0	-130
Profit (-loss) for the reporting period	**29**	**0**	**29**
Other comprehensive income	0	0	0

19 Subsequent events

On 9 April 2025, the Company started with conditional offer to exchange its EUR 2021/2026 Bonds (ISIN XS2378483494) for new EUR 2025/2030 Bonds, or alternatively, to tender the EUR 2021/2026 Bonds for a cash payment.

The terms of a conditional exchange and cash tender offer are:

- The exchange and cash tender offer is conditional, including but not limited to the requirement that a minimum of EUR 75 million of the EUR 2021/2026 Bonds be tendered and/or exchanged.
- Under the exchange offer, New Senior Secured EUR 2025/2030 Bonds will be issued at an exchange ratio of 1 to 1. These new bonds will carry a minimum annual interest rate of 11.0% and be issued on market-standard terms and conditions, comparable to those of the EUR 2021/2026 Bonds.
- Investors participating in the exchange offer will receive an additional cash incentive of EUR 2.50 (2.5%) per each EUR 100.00 nominal amount exchanged. They will also receive unpaid accrued interest in cash from 6 April 2025 through the settlement date of the exchange but no later than 15 June 2025.
- Investors participating in the Cash Tender offer will receive a cash payment of EUR 99.00 per each EUR 2021/2026 Bonds tendered, plus unpaid accrued interest in cash from 6 April 2025 through the settlement date of the cash payment but no later than 15 June 2025.
- The Conditional Exchange and Cash Tender offer period for holders of EUR 2021/2026 Bonds will run from 9 April 2025 to 7 May 2025, 14:00 CEST/15:00 EEST.

There have been no other subsequent events which would cause corrections in the reported financial information, or which should be additionally disclosed as subsequent event.

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Managers`Statement

As managers of the Company, we hereby formally and expressly declare that, to the best of our knowledge, the annual financial statements of the Company for the financial year ended 31 December 2024, have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss and other comprehensive income of the Company, and that the management report of the Company includes a fair review of the development and performance of the business, and describes the principal risks and uncertainties associated with the Company.

29 April 2025

Kristel Kurvits
Member of the Board of Managers

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Ann Leonie Lauwers
Member of the Board of Managers

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Pieter Adriaan van Nugteren
Member of the Board of Managers

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To the Shareholders of
IuteCredit Finance S.à r.l.
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Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IuteCredit Finance S.à r.l. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (the "CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 18 to the financial statements, which indicates that the comparative information presented as at and for the year ended 31 December 2023 has been restated. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Impairment allowance for Loan receivables

a) Why the matter was considered to be one of most significance in our audit of the financial statements for the year ended 31 December 2024:

The Company's primary activity is to act as a financing intermediary for Iute Group AS (Estonia) (the "parent company"). The loans granted to the parent company represent the single largest category of assets on the Company's statement of financial position as at 31 December 2024.

The gross amounts of loans and interest receivable from the parent company as at 31 December 2024 amount to EUR 109 641 thousand and EUR 16 433 thousand respectively; total impairment allowances for loan and interest receivable amount to EUR 1 892 thousand and EUR 284 thousand, respectively, as at 31 December 2024.

Loans and interest receivable, collectively ("exposures"), represent approximately 100% of the Company's total assets as at 31 December 2024. Related impairment allowances represent the Board of Managers' best estimate of the expected credit losses associated with those exposures at the reporting date.

In addition to the significant size of the caption, we have assessed this area to be a key audit matter as the ECL provisioning involves significant judgement in determining the appropriate methodology, and in selecting and estimating the underlying assumptions to be applied. The ECL is sensitive to the assumptions such as Probability of Default ("PD"), Loss Given Default ("LGD) and Exposure of Default ("EAD") and a change in the assumptions may have a material impact on the valuation of Loan receivables.

We refer to Note 11 "Loan receivables" and Note 4 "Summary of material accounting policies" of the financial statements.

b) How the matter was addressed in our audit

Our procedures over impairment allowance for Loan receivables included but were not limited to:

— Inspecting the Company's ECL methodology and assessing its compliance with the relevant requirements of the financial reporting standards. We assessed the impairment model assumptions used by the Company in calculating the provisions with the Company's own investigations and industry data.
— Understanding and testing of a selected key control implemented by management over the calculation of the expected credit losses.
— Involving our own financial risk management specialists, to:
    - independently assess the available forward-looking information used in the ECL model, by means of corroborating inquiries of the Board of Managers and inspecting of publicly available information;
    - assess the LGD, PD and EAD parameters in the model as well as appropriateness of the Significant Increase of Credit Risk ("SICR");
    - perform a retrospective review for ECL and recalculations in order to verify that the figures were calculated accurately.
— Assessing whether the disclosures in the notes to the financial statements on the impairment allowance for Loan receivables are appropriate. This includes whether the information is sufficient to provide an understanding of the methods and assumptions used by management.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the financial statements and our report of the “réviseur d'entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Managers is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

In preparing the financial statements, the Board of Managers is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to assess whether the financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
— Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 10 June 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letter c) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the financial statements of the Company as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the Company it relates to:

— financial statements prepared in a valid xHTML format;

In our opinion, the financial statements of IuteCredit Finance S.à r.l. as at 31 December 2024, identified as 2221005B3DQGM41NWF57-2024-31-12-0-en.Xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the financial statements of IuteCredit Finance S.à r.l. as at 31 December 2024, identified as 2221005B3DQGM41NWF57-2024-31-12-0-en.Xhtml, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 29 April 2025

KPMG Audit S.à r.l.
Cabinet de révision agréé

Michael Jahke
Partner