

IuteCredit reports unaudited results for 3M/2022

Profit on growth in every country, digitalization in every country, acquisition of first bank

Strategic Highlights

- Total number of customers increased by 23,7% to 850 thousand (31 December 2021: 687 thousand).
- Acquisition of controlling stake in Moldovan Energbank with twofold potential for additional revenue streams with Wallet (payments) services and growth of loan portfolio without increased FX exposure.
- Group consolidated balance sheet and equity doubled as at 31 March 2022.
- Increasing use of the digital customer journey with Mylute app being downloaded by 245 thousand customers (31 December 2021: 181 thousand customers).
- Ongoing investment into New Core IT platform for management of customer experience and integrated loans and wallet service value streams.

Operational Highlights without effects of bank acquisition

- Loan payouts increased 27,9% to 41,7 million EUR (3M/2021: 32,6 million EUR).
- Number of loans signed up y-o-y 127,0% to 73.987 (3M/2021: 32.589).
- Balance sheet up 5,6% to 176,2 million EUR (31 December 2021: 166,8 million EUR).
- Gross loan portfolio up 2,1% to 122,9 million EUR (31 December 2021: 120,4 million EUR) of which principal amount of loans increased 1,9% to 108,0 million EUR (31 December 2021: 106,0 million EUR).
- Repayment discipline (Customer Performance Index, CPI30) significantly improved to an all-time high of 91,0% (3M/2021: 87,9%).
- Net loan portfolio up 2,5% to 108,0 million EUR (31 December 2021: 105,4 million EUR).
- Rollout of 63 cardless ATMs to date cuts intermediaries and reduces need for plastic cards and cuts plastic waste.

Financial Highlights without effects of bank acquisition

- Interest and commission fee income up 22,0% to 13,1 million EUR (3M/2021: 10,7 million EUR) affected by steadily increasing payouts compared to the 18,3% increase in the average net loan portfolio.
- Net interest and commission fee income up 17,4% to 8,8 million EUR (3M/2021: 7,5 million EUR) as a result of increased interest payments related to bonds issuances while cash position remained high.
- Total income up 14,4% to 15,9 million EUR (3M/2021: 13,9 million EUR).
- Cost to income ratio at 44,2% (3M/2021: 38,5%) mainly as result of expenses related to the acquisition of Energbank, recovering business activity and the related normalization of costs as well as strategic initiatives and consulting costs.
- EBITDA adjusted for FX/revaluation up 21,3% to 6,2 million EUR (3M/2021: 5,1 million EUR).
- Net profit at 0,6 million EUR (3M/2021: 1,1 million EUR).
- Strong capitalization and profitability– Eurobond covenants exceeded.

Statement of the Management

During my tenure with luteGroup since 2008, some quarters have stood out for their groundbreaking change. Among those special quarters, Q1 2022 ranks even more prominently.

After joint efforts over the past three years, we acquired the first bank for the Group. The strategic acquisition of Moldovan Energbank opens a twofold potential of additional service streams for our retail customers and as a result revenue streams for luteGroup. In doing so, we will evolve from a single service provider to multiple services provider that creates an extraordinary experience for our customers. In addition to the long-term value generation, the acquisition also has immediate rewards for luteGroup. The consolidated balance sheet doubled to 300 million EUR and equity increased to 50 million EUR. Now, within the next two quarters, we intend at the bank to reshape corporate governance, set up internal communication lines and align organizations and business metrics with luteGroup principles. Reshaping the service processes for our customers will naturally take a little bit longer until 2023. The true benefits of the bank for our customers and the subsequent returns from our customers to our income statement should become visible in the course of 2023.

At the same time, the digitalization of luteGroup for even more powerful services and the monetization of data continues. Here, the number of Mylute app users had reached 245 thousand. In addition, luteGroup is currently in the transition phase to a next-generation IT system that enables much better data management and conversion of data back into business. We can already see the benefits of the new core system by comparing the operational efficiencies of new users with lute companies still using the previous generation system.

By contrast, we felt the fresh headwinds in Q1 of the current financial year 2022. With a stiff breeze, inflation made itself felt throughout Europe, making the daily basket of goods more expensive for our customers and leaving less flexibility for loan repayments. Increased energy and food prices are indeed constraining demand for new loans. Thus, we are more than satisfied that the quality of our customers is reflected in an all-time high CPI level through their loan repayment discipline, but we also have to note that our customers tend to be more conservative in assuming new liabilities. On the bottom line, new loan sales were not as strong as expected. The net loan portfolio only grew by 4 million EUR in Q1 (excluding the growth resulting from the acquisition of Energbank).

The Russian invasion and the war in Ukraine also had an adverse effect. Customer confidence in Moldova is limited and so their borrowing was more limited. In consequence, Albania has surpassed Moldova as of March 2022 as our largest consumer finance market in terms of its loan portfolio and revenue. luteGroup and its employees have expressed their support for Ukraine as early as 26 February through direct monetary donations to the Ukrainian Government and by team volunteers helping war refugees.

In summary, we are confident of achieving profitable growth again this year. We look forward to a strong 2022 and beyond. Our goal is to continue increasing our customer pool, expanding service value streams, continuing digitalization and our acquisition policy and eventually reach the 2022 revenue target of more than 75 million EUR with 300,000 performing customers. The initial annual net profit target has been already exceeded, therefore the new net profit benchmark is 16 million EUR.

Tarmo Sild
CEO of luteCredit Group

Consolidated key financial figures

	31 Mar 2022	31 Dec 2021	Δ in %
Capitalization			
Gross loan portfolio (in thousand EUR)	172.672	120.365	43,5%
<i>IuteCredit Europe</i>	122.867	120.365	30,0%
<i>Energbank</i>	49.805	0	n/a
Net loan portfolio (in thousand EUR)	155.457	105.372	47,5%
<i>IuteCredit Europe</i>	108.439	105.372	34,2%
<i>Energbank</i>	47.018	0	n/a
Assets (in thousand EUR)	298.174	166.786	78,8%
Equity (in thousand EUR)	50.016	25.585	95,5%
Equity to assets ratio	16,8%	15,3%	1,4%
Capitalization ratio	32,2%	24,3%	7,9%
	3M/2022	3M/2021	Δ in %
Profitability			
Interest income	15.679	10.705	46,5%
<i>IuteCredit Europe</i>	13.058	10.705	68,64%
<i>Energbank</i>	2.621	0	n/a
Net interest margin	9,4%	10,0%	-0,6%
<i>IuteCredit Europe</i>	9,3%	10,0%	-0,7%
Cost to income ratio	45,2%	38,5%	6,7%
<i>IuteCredit Europe</i>	44,2%	38,5%	5,6%
<i>Energbank</i>	58,2%	n/a	[·]
Post-allowances operating profit margin	7,1%	7,0%	0,0%
<i>IuteCredit Europe</i>	7,4%	7,0%	0,4%
EBITDA	7.530	5.094	47,8%
<i>IuteCredit Europe</i>	6.177	5.094	21,3%
<i>Energbank</i>	1.353	0	n/a
Interest coverage ratio	1,78	1,6	9,6%
Profit margin before tax	78,9%	10,2%	670,7%
Net profit	12.183	1.069	1039,4%
Return on assets	5,2%	0,9%	4,3%
Return on equity	32,2%	4,9%	27,3%
	31 Mar 2022	31 Dec 2021	Δ in %
Asset quality			
Cost of risk	10,8%	15,2%	-4,4%
<i>IuteCredit Europe</i>	3,4%	4,3%	-0,9%
<i>Energbank</i>	0,3%	0	n/a
Impairment coverage ratio	63,6%	69,0%	-5,4%
<i>IuteCredit Europe</i>	65,9%	70,5%	-4,6%
<i>Energbank</i>	51,1%	0	n/a
Gross NPL ratio	15,7%	18,1%	-2,4%
<i>IuteCredit Europe</i>	17,6%	20,6%	-3,0%
<i>Energbank</i>	11,0%	0	n/a
Net NPL ratio	9,7%	11,3%	-1,5%
<i>IuteCredit Europe</i>	11,2%	13,1%	-1,9%
<i>Energbank</i>	6,4%	0	n/a

Contact:

IuteCredit
Kristel Kurvits, Group Chief Financial Officer (CFO)
Email: investor@iutecredit.com
Phone: +372 622 9177

About IuteCredit Group:

IuteCredit Group – established in 2008 – is a leading European fintech company. The Group is specialized in consumer finance and payment services via its 100% subsidiaries. Iute serves customers currently in Moldova, Albania, North Macedonia, Bulgaria as well as Bosnia and Herzegovina under “Mylute” and “IuteCredit” brands, while it is expanding its services, geographies and brands ecosystem.

The Group’s core loan products are unsecured installment loans and buy-now-pay-later loans with maturities between 1 month and 48 months and collateralized loans with maturities up to 72 months. Loans are provided over the webshops, Iute’s website, Mylute app, network of branches, merchants and partners.

Iute’s payment services vary from country to country between full-range solutions provided as a bank, and partial solutions subject to the license issued in any given country. The Group operates its own ATM network that is accessible with the Mylute app.

The Group finances its loan portfolios with equity, with secured bonds that are traded on the regulated market of Frankfurt Stock Exchange and the main list of Nasdaq Baltic and with deposits (as a bank inside a given country).

The mission of IuteCredit is to create the extraordinary experience in personal finance by exceeding customers' expectations.

www.iutecredit.com

MANAGEMENT REPORT

Group Corporate and Organizational Overview

AS luteCredit Europe (**ICE**) is a holding company that provides services via its subsidiaries in local markets (**Subsidiaries**). As of 31 March 2022, ICE had nine operating subsidiaries: ICS OMF luteCredit SRL (**ICM**) and Energbank OSC (**EB**) in Moldova, luteCredit Albania SHA (**ICA**), luteCredit Macedonia DOOEL-Skopje (**ICMK**) in North Macedonia, lutePay Bulgaria EOOD (**lutePay Bulgaria**) and luteCredit Bulgaria EOOD (**ICBG**), MKD luteCredit BH d.o.o. Sarajevo (**ICBH**) in Bosnia and Herzegovina as well as luteCredit Finance S.a.r.l. (**ICF**) in Luxembourg and VeloxPay SH.P.K (**Velox**) in Albania. All subsidiaries are 100% owned by AS luteCredit Europe, except Energbank where ICE holds a 95% stake.

As part of strategic acquisition plans, luteCredit Europe acquired 86.8% of Moldovan Energbank of shares in 3M 2022 and submitted a mandatory takeover offer to minority shareholders at the end of the reporting period. luteCredit 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 luteCredit are elected and approved by the National Bank of Moldova, luteCredit will be able to exercise full operational control over the Bank.

The subsidiaries and ICE together form the luteCredit Group (**ICG**). ICG consisted of nine companies, regardless that one of them was unconsolidated and reclassified.

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

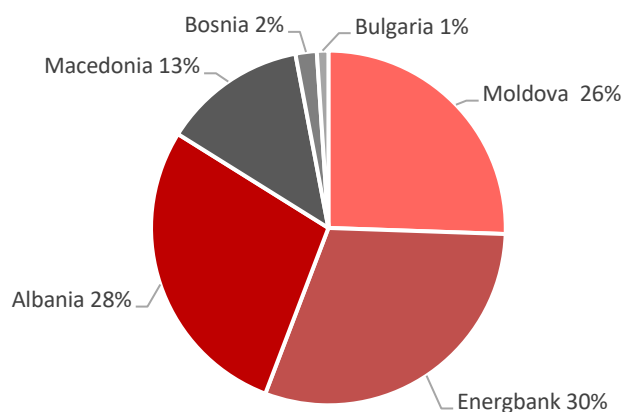
- Strategic targeting
- Scalability of business
- Business capabilities design, including organizations design, process design and technology design
- Technology development and integration
- Composition of management teams at subsidiaries
- Human resource and customer experience framework rules and targeting guidance
- Financial management framework rules and targeting guidance
- Marketing and sales framework rules and targeting guidance
- Enterprise risk management, including loan products approval 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

ICG's loan products are unsecured consumer loans with a maturity range between 1 month and 48 months and pledge (usually pledge on the car) secured loans with maturities of up to 72 months. The median loan amount is above 500 EUR, whereas loan amounts range between 25 EUR and 10 thousand EUR. The weighted average annual percentage rate (APR) is about 50% and effective interest rate (EIR) 60% depending on the loan amount, maturity, and status of the customer (new or recurring client with good payment history).

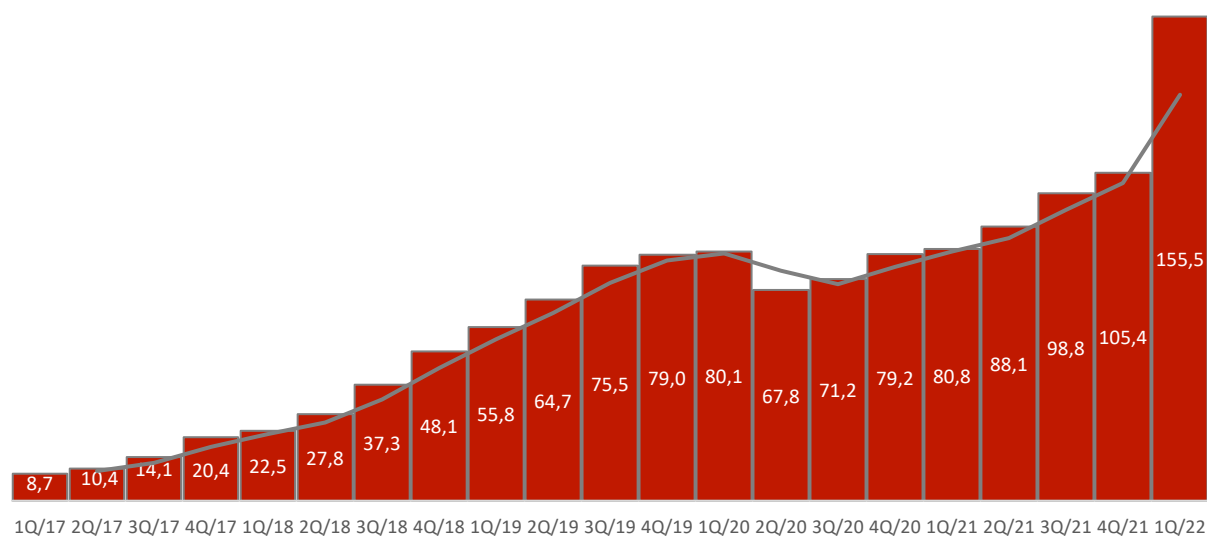
Breakdown of portfolio diversification as of 31/03/2022



ICG 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 60% 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, postal agencies), web portals and other online channels, as well as luteCredit branches (retail offices). By the end of December 2021, luteCredit had 44 luteCredit branches and 1.225 shops. Traditionally, ICG handles money only via bank accounts or over the counter through its agents. With the introduction of luteCredit 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)	3M/2022	3M/2021	Δ in %
Interest and similar income	15.679	10.705	46,5%
Interest and similar expense	-4.463	-3.207	39,2%
Net interest and commission fee income	11.216	7.497	49,6%
Loan administration fees and penalties	1.996	2.385	-16,3%
Total loan administration fees and penalties	1.996	2.385	-16,3%
Other income	756	850	-11,1%
Allowances for loan impairment	-3.635	-4.082	-11,0%
Net operating income	10.333	6.651	55,4%
Personnel expenses	-3.466	-2.334	48,5%
Depreciation/amortization charge	-1.074	-608	76,4%
Other operating expenses	-3.800	-2.430	56,4%
Total operating expenses	-8.340	-5.372	55,2%
Net income from subsidiaries using equity method	10.561	0	n/a
Foreign exchange gains/losses	-188	-183	3,0%
Net financial result	10.373	-183	n/a
Profit before tax	12.366	1.096	>1.000%
Income tax expense	-183	-26	598,1%
Net profit for the period	12.183	1.069	>1.000%

luteCredit's lending business model 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.

Total income

Total income before expenses increased by 32,2% to 18.431 thousand EUR (3M/2021: 13.940 thousand EUR) reflecting the consolidation of Energbank as of 01 February 2022.

Breakdown of consolidated total income

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Interest and similar income	15.679	10.705	46,5%
<i>luteCredit Europe</i>	13.058	10.705	22,0%
<i>Energbank</i>	2.621	0	n/a
Penalties and similar income	1.996	2.385	-16,3%
<i>luteCredit Europe</i>	1.984	2.385	-16,3%
<i>Energbank</i>	12	0	n/a
Other income	756	850	-11,1%
<i>luteCredit Europe</i>	892	850	5,0%
<i>Energbank</i>	-136	0	n/a
Total income	18.431	13.940	32,2%

Other income

Other income in 3M/2022 of 756 thousand EUR included, primarily, income of 196 thousand EUR from sales of defaulted loan portfolio and extraordinary income from debt collectors of 480 thousand EUR. Defaulted loan portfolio sale depends on the offered price and luteCredit's own expectations of the collection. In case the collection results promise better cash flow than portfolio sales, the defaulted loans are not sold.

Interest income

Interest income for the period increased by 46,5% to 15.679 thousand EUR (3M/2021: 10.705 thousand EUR), affected by steadily increasing payouts compared to the 63,0% increase in the average net loan portfolio.

Breakdown of interest income

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Total value of loan principal issued	52.813	32.589	62,1%
<i>luteCredit Europe</i>	41.731	32.589	28,1%
<i>Energbank</i>	11.082	0	n/a
Average net loan portfolio	130.414	79.988	63,0%
<i>luteCredit Europe</i>	94.615	79.988	18,3%
<i>Energbank</i>	46.684	0	n/a
Principal	157.657	80.047	97,0%
<i>luteCredit Europe</i>	108.529	80.047	35,6%
<i>Energbank</i>	49.128	0	n/a
Accrued interest	15.014	14.454	3,9%
<i>luteCredit Europe</i>	14.339	14.454	-0,8%
<i>Energbank</i>	675	0	n/a
Average annualized interest rate on net portfolio	49,0%	57,5%	-14,8%
<i>luteCredit Europe</i>	49,0%	57,5%	-14,8%
<i>Energbank</i>	11,4%	0	n/a
Interest income	15.679	10.705	46,5%
<i>luteCredit Europe</i>	13.058	10.705	22,0%
<i>Energbank</i>	2.621	0	n/a

As of the beginning of the current fiscal year 2022, accrued interests will no longer be recognized once a loan is defaulted.

Breakdown of interest income by countries

	3M/2022	Total share in %	3M/2021	Total share in %	Δ in %
Moldova	5.367	35,6%	4.882	45,6%	9,9%
Energbank	2.622	14,8%	0	0,0%	n/a
Albania	6.140	40,8%	4.084	38,2%	50,3%
Macedonia	2.888	19,2%	1.345	12,6%	114,8%
Bosnia	458	3,0%	394	3,7%	16,3%
Bulgaria	201	1,3%	0	0,0%	n/a
Total	17.675	100,0%	10.705	100,0%	65,1%

Interest expense

Interest expense increased by 39,2% to 4.463 thousand EUR (3M/2021: 3.207 thousand EUR), in connection with the borrowing related to the expected growth of business. Most notably, was the issue of the 75 million EUR five-year corporate bond 2011/26 in October 2021.

Breakdown of interest expense

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Interest on amounts due to creditors	-319	-1.512	-78,9%
Interest on financial lease liabilities	-44	-27	63,0%
Interest on bonds	-3.916	-1.668	134,8%
Interest on deposits	-183	0	n/a
Total	-4.463	-3.207	39,2%

Loan administration fees and penalties

Income from other fees and penalties decreased by 16,3% to 1.996 thousand EUR (3M/2021: 2.385 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)	3M/2022	3M/2021	Δ in %
Penalties under loans and delay interests	2.068	2.466	-16,1%
<i>IuteCredit Europe</i>	2.054	2.466	-16,7%
<i>Energbank</i>	12	0	n/a
Resigns under customer loans	175	87	101,4%
Dealer bonuses	-257	-188	37,0%
Other fees from additional services	10	21	-100,0%
Total	1.996	2.385	-16,3%

Allowances for loan impairment

Change in allowances for loan impairment decreased by 11,0% to 3.635 thousand EUR (3M/2021: 4.082 thousand EUR) in line with an intentionally more conservative provisioning approach as a response to the COVID-19 pandemic creating an additional risk buffer. Allowances at Energbank are determined at the end of June and December only, accordingly, the disposal of pledged assets in 3M/2022 resulted in a reversal of allowances.

Breakdown of allowances for loan impairment

(In thousand EUR)	3M/2022	3M/2021	Δ in %
At the beginning of the period	-14.993	-15.859	-5,5%
Addition from business combination	-2.871	0	n/a
Allowances for loan impairment	-3.679	-3.984	-7,6%
Utilized	4.285	6.230	-31,2%
Exchange differences	44	-98	-144,9%
At the end of the period	-17.215	-13.711	25,5%
(In thousand EUR)	3M/2022	3M/2021	Δ in %
Impairment charges on loans	-3.635	-4.082	-11,0%
Recovery from written-off loans	0	0	n/a
Net impairment charges	-3.635	-4.082	-11,0%

The amount utilized is split between the sale of defaulted loan and monthly write-offs.

Overall net impairment losses represented 23,2% of interest income (3M/2021: 38,1%). The cost of risk, expressed as net impairment charges to average gross loan portfolio, equaled 10,8% (31 December 2021: 15,2%).

Operating expenses

Operating expenses for the period increased by 52,5% to 7.266 thousand EUR (3M/2021: 4.764 thousand EUR) related to the recovery of business activity at IuteCredit Europe as well as the consolidated Energbank operations as of February 2022. Advertising expenses accounted for 13,3% (3M/2021: 9,9%) of operating expenses while expenses on IT accounted 8,1% (3M/2021: 5,9%). The cost to income ratio for the period increased to 45,2% (3M/2021: 38,5%).

Breakdown of operating expenses

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Personnel	-3.466	-2.334	48,5%
Advertising expenses	-969	-472	105,5%
IT	-589	-281	109,8%
Debt collection	-192	-191	0,4%
Legal and consulting	-175	-180	-2,7%
Rent and utilities	-124	-68	82,4%
Taxes	-111	-195	-42,9%
Travel	-110	-86	26,9%
Other	-1.530	-957	59,9%
Total	-7.266	-4.764	52,5%
<i>IuteCredit Europe</i>	<i>-6.087</i>	<i>-4.764</i>	<i>27,8%</i>
<i>Energbank</i>	<i>-1.179</i>	<i>0</i>	<i>n/a</i>

The increase in IT costs reflects the development of technological solutions at full speed. Other operating expenses are not comparable to 3M/2021 expenses in view of cost reductions during COVID-19. Excluding personnel expenses, operating expenses increased by 56,4% to 3.800 thousand EUR (3M/2021: 2.430 thousand EUR).

Personnel expenses

Personnel expenses, mainly salaries and bonuses, and social security expenses increased less than the build-up in headcount by 48,5% to 3.466 thousand EUR (3M/2021: 2.344 thousand EUR), mostly related to the acquisition of Energbank. The average staff number in full-time equivalents increased by 146,8% to 1.007 employees (3M/2021: 408 employees).

Breakdown of personnel expenses

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Salaries and bonuses	-2.807	-1.966	42,8%
Social security expenses	-451	-340	32,4%
Medical insurance expenses	-47	-28	66,4%
Other expenses	-162	0	n/a
Total	-3.466	-2.334	48,5%
<i>luteCredit Europe</i>	-2.553	-2.334	9,4%
<i>Energbank</i>	-913	0	n/a
Number of employees adjusted to full-time	1.007	408	146,8%
<i>luteCredit Europe</i>	480	408	17,6%
<i>Energbank</i>	527	0	n/a

Foreign exchange gains/losses

Foreign exchange movements resulted in a loss of 188 thousand EUR (3M/2021: loss 183 thousand EUR) reflecting, in particular, EUR/MDL and EUR/ALL conversion rates.

Profit before tax

Consolidated profit before tax increased to 12.366 thousand EUR (3M/2021: 1.096 EUR). The profit margin before tax equaled 78,3% (3M/2021: 10,2%).

Income tax expense

Income tax expense increased to 183 thousand EUR (3M/2021: 26 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)	3M/2022	3M/2021	Δ in %
Consolidated profit before tax	12.366	1.096	>1.000%
Current income tax expense	-183	-26	598,1%
Net profit for the period	12.183	1.069	>1.000%

Profit for the period

Net profit for the period increased to 12.183 thousand EUR (3M/2021: 1.069 thousand EUR).

Transition statement of non-IFRS measures EBITDA and Adjusted EBITDA

Breakdown of transition to adjusted EBITDA

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Profit for the period	12.183	1.069	>1.000%
Provision for corporate income tax	183	26	598,1%
Interest expense	4.463	3.207	39,2%
Depreciation and amortization	1.074	608	76,4%
EBITDA	17.903	4.911	264,5%
Adjustments	10.373	-183	n/a
Adjusted EBITDA	7.530	5.094	47,8%

Breakdown of adjustments to EBITDA

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Net gains/losses from financial assets measured at fair value	10.561	0	n/a
Foreign exchange gains/losses	-188	-183	3,0%
Adjustments	10.373	-183	n/a

Condensed statement of financial position

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	70.629	46.324	52,5%
<i>IuteCredit Europe</i>	18.020	0	n/a
<i>Energbank</i>	52.609	0	n/a
Loans to customers	155.457	105.372	47,5%
<i>IuteCredit Europe</i>	108.439	0	n/a
<i>Energbank</i>	47.018	0	n/a
Prepayments	1.627	620	162,4%
Other assets	5.259	3.112	69,0%
Other financial investments	49.590	2.755	>1.000%
Property, plant and equipment	7.088	1.076	558,7%
Right-of-use assets	1.678	1.587	5,7%
Intangible assets	6.846	5.939	15,3%
Total assets	298.174	166.786	78,8%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	240.328	133.944	79,4%
Lease liabilities	1.838	1.765	4,2%
Trade and other payables	789	1.387	-43,1%
Current income tax liabilities	127	638	-80,1%
Deferred tax liabilities	798	882	-9,5%
Other liabilities	4.278	2.586	65,4%
Total liabilities	248.158	141.202	75,7%
Equity			
Minority share	5.837	0	n/a
Share capital	10.000	10.000	0,0%
Legal reserve	799	799	n/a
Revaluation reserve	780	0	n/a
Unrealized foreign exchange differences	-1.233	-510	141,8%
Retained earnings	33.833	15.295	121,2%
Total equity	50.016	25.584	95,5%
Total equity and liabilities	298.174	166.786	78,8%

Assets

Total assets increased by 78,8% to 298.174 thousand EUR as of 31 March 2022 (31 December 2021: 166.786 thousand EUR) mainly as a result of the Energbank acquisition.

Loan portfolio

The net loan portfolio increased by 47,5% to 155.457 thousand EUR as of 31 March 2022 (31 December 2021: 105.372 thousand EUR).

Breakdown of net portfolio

(In thousand EUR)	31 Mar 2022	Total in %	31 Dec 2021	Total in %	Δ in %
Moldova	39.714	25,5%	40.353	38,3%	-1,6%
Energbank	47.018	30,2%	0	0,0%	n/a
Albania	43.665	28,1%	41.090	39,0%	6,3%
Macedonia	20.419	13,1%	19.967	18,9%	2,3%
Bosnia	3.010	1,9%	2.844	2,7%	5,8%
Bulgaria	1.631	1,0%	1.118	1,1%	45,8%
Total net loan portfolio	155.457	100,0%	105.372	100,0%	47,5%

Breakdown of loan applications

in pcs	3M/2022					3M/2021					Δ in %		
	Processed	Approved	Paid out	Approval rate %	Active rate %	Processed	Approved	Paid out	Approval rate %	Active rate %	Processed	Approved	Approval rate %
Moldova	49.168	30.531	15.062	62,1%	92,0%	48.626	28.736	26.380	59,2%	91,8%	1,1%	6,2%	4,9%
Energbank	1.791	1.733	11.082	96,8%	92,8%	0	0	0	0	0	n/a	n/a	n/a
Albania	40.805	29.476	16.959	72,2%	96,3%	36.648	25.361	23.941	69,2%	94,4%	11,3%	16,2%	4,4%
Macedonia	18.466	11.168	7.133	60,5%	89,9%	18.278	10.845	10.726	59,3%	98,9%	1,0%	3,0%	2,0%
Bosnia	3.701	1.738	1.285	47,0%	97,9%	4.618	1.961	1.906	42,7%	97,2%	-19,9%	-11,4%	10,1%
Bulgaria	18.640	2.330	1.292	12,5%	94,1%	0	0	0	0,0%	0,0%	n/a	n/a	n/a
In total	130.780	75.243	41.731	57,5%	93,5%	108.170	66.903	62.953	57,6%	95,6%	20,9%	12,5%	-0,1%

The recognition of loan applications according to IuteCredit Europe principles has not yet been implemented in Energbank's processes.

Breakdown of issued loans APR on country level

(In %)	3M/2022	3M/2021	Δ in %
Moldova	46,2%	59,8%	-22,7%
Albania	56,5%	61,2%	-7,7%
Macedonia	39,3%	44,6%	-11,9%
Bosnia	46,1%	63,4%	-27,3%
Bulgaria	39,6%	0,0%	n/a
ICG weighted average	49,0%	57,5%	-14,8%
Energbank	11,1%	0	n/a

IFRS UNAUDITED CONSOLIDATED 3M/2022 REPORT

The decrease in average annual percentage rates (APR) at group level in 3M/2022 relates to intensified competition across operating countries as well as to the shift to longer loan maturities and the increasing share of repeating customers. Moldova accounted a lower proportion of dealers compared with the previous year due to lockdowns, while cash loans had higher APRs with lower payouts. Moreover, in Albania APR caps became effective from the start of 2022.

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 tolerance, i.e., Customer Performance Index (CPI30).

(In %)	3M/2022	3M/2021	Δ in %
Moldova	90,3%	87,6%	2,7%
Albania	92,7%	89,0%	3,9%
Macedonia	92,3%	88,7%	3,6%
Bosnia	78,0%	73,6%	4,4%
Bulgaria	70,2%	0,0%	n/a
ICG weighted average	91,0%	87,9%	3,1%

CPI30 is a proprietary luteCredit Europe 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 Mar 2022				31 Dec 2021			
	Gross amount	Provisions	Net amount	% of net portfolio	Gross amount	Provisions	Net amount	% of net portfolio
Performing	145.613	-5.308	140.306	90,3%	98.630	-5.157	93.473	88,7%
<i>luteCredit Europe</i>	101.264	-4.991	96.273	88,8%	75.050	-4.826	70.224	86,9%
<i>Energbank</i>	44.349	-317	44.033	93,7%	0	0	0	n/a
Non-Performing	27.058	-11.907	15.151	9,7%	21.734	-9.835	11.899	11,3%
<i>luteCredit Europe</i>	21.604	-9.438	12.166	11,2%	19.452	-8.885	10.567	13,1%
<i>Energbank</i>	5.454	-2.469	2.985	6,3%	0	0	0	n/a
Total portfolio	172.672	-17.215	155.457	100,0%	120.365	-14.993	105.372	100,0%
<i>luteCredit Europe</i>	122.867	-14.429	108.439	100,0%	94.502	-13.711	80.791	100,0%
<i>Energbank</i>	49.805	-2.786	47.018	100,0%	0	0	0	n/a

IFRS UNAUDITED CONSOLIDATED 3M/2022 REPORT

(In thousand EUR)	31 Mar 2022	Total share in %	31 Dec 2021	Total share in %
Stage 1	137.999	88,8%	91.353	86,7%
<i>luteCredit Europe</i>	94.045	86,7%	68.213	84,4%
<i>Energbank</i>	43.954	93,5%	0	n/a
Stage 2	2.307	1,5%	2.120	2,0%
<i>luteCredit Europe</i>	2.228	2,1%	2.011	2,5%
<i>Energbank</i>	79	0,2%	0	n/a
Stage 3	15.151	9,7%	11.899	11,3%
<i>luteCredit Europe</i>	12.166	11,2%	10.567	13,1%
<i>Energbank</i>	2.985	6,3%	0	n/a
Total net portfolio	155.457	100,0%	105.372	100,0%
<i>luteCredit Europe</i>	108.439	100,0%	80.791	100,0%
<i>Energbank</i>	47.018	100,0%	0	n/a
Gross NPL ratio	15,7%		18,1%	
<i>luteCredit Europe</i>	17,6%		20,6%	
<i>Energbank</i>	11,0%		0	
Impairment coverage ratio	63,6%		69,0%	
<i>luteCredit Europe</i>	66,8%		70,5%	
<i>Energbank</i>	51,1%		0	

Distribution principles between stages

	31 Mar 2022	31 Dec 2021
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 Mar 2022	31 Dec 2021	Δ in %
Deferred tax assets	288	179	61%
Prepayments of rent	90	84	7%
Prepayment of taxes	795	251	216,2%
Prepayments to suppliers and deferred expenses	454	105	330,2%
Prepayments in total	1.627	620	162,4%
Receivables from collection companies	729	771	-5,4%
Other receivables	1.510	70	>1.000%
Deposit receivables from partners	3.020	2.271	33,0%
Trade and other receivables in total	5.259	3.112	69,0%
TOTAL	6.886	3.732	84,5%

Liabilities

As of 31 March 2022, total liabilities increased by 75,7% to 248.158 thousand EUR (31 December 2021: 141.102 thousand EUR). The change mainly relates to the acquisition of Energbank.

Breakdown of loans and borrowings

Loans and borrowings increased by 78,4% to 242.166 thousand EUR (31 December 2021: 135.710 thousand EUR), accounting for 97,6% of all liabilities (31 December 2021: 96,1%).

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
Loans from investors	115.640	10.287	>1.000%
Due date during next 12 months	81.928	3.351	>1.000%
<i>luteCredit Europe</i>	2.837	3.351	-18,1%
<i>Energbank customer deposits</i>	79.091	0	n/a
Due date after 12 months	33.712	6.936	386,0%
<i>luteCredit Europe</i>	11.373	6.936	7,4%
<i>Energbank customer deposits</i>	22.339	0	n/a
 Bond liabilities	 119.182	 119.408	 -0,2%
Due date during next 12 months	0	0	n/a
Due date after 12 months	119.182	119.408	-0,2%
 Lease liabilities	 1.838	 1.765	 4,1%
Due date during next 12 months	848	831	2,0%
Due date after 12 months	991	934	6,0%
 Accrued interest	 5.506	 4.249	 29,6%
TOTAL	242.166	135.710	78,4%
<i>weighted average interest rate</i>	7,8%	11,8%	
<i>currency</i>	<i>EUR, MDL, USD; ALL; MKD</i>	<i>EUR, MDL, USD; ALL; MKD</i>	

Loans from investors in connection with the acquisition of Energbank increased to 115.640 thousand EUR (31 December 2021: 10.287 thousand EUR), of which 1.061 thousand EUR (31 December 2021: 908 thousand EUR) are accounted for by P2P loans from the Mintos platform. As of the acquisition of Energbank in February 2022 loans from investors include customer deposits and current customer bank accounts.

luteCredit Finance S.a.r.l., wholly owned Luxembourg subsidiary of ICG, issued and placed in August 2019 40 million EUR senior secured bonds (Eurobond), with a maturity of 4 years and a coupon of 13%, guaranteed by ICG and its subsidiaries. In November 2020, a 10 million EUR tap at a price of 97% followed. After the tap issue, the total amount outstanding of luteCredit's 13% corporate bonds 2019/2023 amounts to 50 million EUR. The bonds are listed on the Regulated Market Frankfurt of Stock Exchange.

At the end of September 2021, luteCredit Finance S.a.r.l., wholly owned Luxembourg subsidiary of ICG, issued and at the beginning of October 2021 settled EUR 75 million 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.

As part of strategic acquisition plans, luteCredit Europe acquired 86.8% of Moldovan Energbank of shares in 3M 2022 and submitted a mandatory takeover offer to minority shareholders at the end of the reporting period. luteCredit 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 luteCredit are elected and approved by the National Bank of Moldova, luteCredit will be able to exercise full operational control over the Bank.

Eurobond covenant ratios

	31 Mar 2022	31 Dec 2021	Δ in %
Capitalization			
Capitalization ratio (Equity/net loan portfolio)	32,2%	24,3%	32,5%
Financial covenant at least	15%		
	3M/2022	3M/2021	Δ in %
Profitability			
Interest coverage ratio (ICR), times (Adjusted EBITDA/interest expenses)	1,78	1,6	9,6%
Financial covenant at least	1,5		

Distribution of investor loan (Mintos)

(In thousand EUR)	Mintos loans			Net loan portfolio			
	31 Mar 2022	31 Dec 2021	Δ in %	31 Mar 2022	Total share in %	31 Dec 2021	Total share in %
Moldova	230	291	-21,0%	39.714	0,6%	40.353	0,7%
Energbank	0	0	n/a	47.018	n/a	0	n/a
Albania	563	305	84,6%	43.665	1,3%	41.090	0,7%
Macedonia	268	312	-14,1%	20.419	1,3%	19.967	1,6%
Bosnia	0	0	n/a	3.010	0,0%	2.844	n/a
Bulgaria	0	0	n/a	1.631	0,0%	1.118	n/a
Total	1.061	908	16,9%	155.457	0,9%	105.372	0,9%

Other liabilities

Breakdown of other liabilities

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
Trade payables	789	1.387	-43,1%
Payables to employees	495	466	6,3%
Corporate income tax payables	127	638	-80,1%
Other tax payables	798	882	-9,6%
Dealer loan liabilities	577	890	-35,2%
Over-/wrong payments from customers	877	487	80,0%
Other liabilities	2.329	743	213,5%
TOTAL	5.992	5.493	9,1%

Equity

As of 31 March 2022, equity increased by 95,5% to 50.016 thousand EUR (31 December 2021: 25.584 thousand EUR), representing an equity to assets ratio of 16,8% (31 December 2021: 15,3%). The equity to net loan portfolio ratio increased to 32,2% (31 December 2021: 24,3%), reflecting the Group's strong capitalization, and exceeds luteCredit 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

As part of strategic acquisition plans, luteCredit Europe acquired 86.8% of Moldovan Energbank of shares in 3M 2022 and submitted a mandatory takeover offer to minority shareholders at the end of the reporting period. luteCredit 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 luteCredit are elected and approved by the National Bank of Moldova, luteCredit will be able to exercise full operational control over the Bank.

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Interest and similar income	15.679	10.705	46,5%
Interest and similar expense	-4.463	-3.207	39,2%
Net interest and commission fee income	11.216	7.497	49,6%
Loan administration fees and penalties	1.996	2.385	-16,3%
Loan administration fees and penalties in total	1.996	2.385	-16,3%
Other income	756	850	-11,2%
Allowances for loan impairment	-3.635	-4.083	-11,0%
Net operating income	10.333	6.651	55,4%
Personnel expenses	-3.466	-2.334	48,5%
Depreciation/amortization charge	-1.074	-608	76,4%
Other operating expenses	-3.800	-2.430	56,4%
Total operating expenses	-8.340	-5.372	55,2%
Net gains/losses from financial assets measured at fair value	0	0	n/a
Net income from subsidiaries using equity method	10.561	0	n/a
Foreign exchange gains/losses	-188	-183	3,0%
Net financial result	10.373	-183	n/a
Profit before tax	12.366	1.096	>1.000%
Income tax expense	-183	-26	598,1%
Profit for the reporting period	12.183	1.069	>1.000%
Other comprehensive income			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	-723	-58	>1.000%
Other comprehensive income total	11.460	1.012	>1.000%
Profit attributable to:			
Equity holders of the parent	11.913	1.012	>1.000%
Equity holders of minority	270	0	n/a
Total comprehensive income attributable to:			
Equity holders of the parent	11.190	1.012	>1.000%
Equity holders of minority	270	0	n/a

IuteCredit Europe statement of comprehensive income

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Interest and similar income	13.058	10.705	22,0%
Interest and similar expense	-4.253	-3.207	32,6%
Net interest and commission fee income	8.804	7.497	17,4%
Loan administration fees and penalties	1.996	2.385	-16,3%
Loan administration fees and penalties in total	1.996	2.385	-16,3%
Other income	892	850	4,9%
Allowances for loan impairment	-3.682	-4.083	-9,8%
Net operating income	8.011	6.651	20,5%
Personnel expenses	-2.553	-2.334	9,4%
Depreciation/amortization charge	-955	-608	57,0%
Other operating expenses	-3.535	-2.430	45,5%
Total operating expenses	-7.042	-5.372	31,1%
Net gains/losses from financial assets measured at fair value	0	0	n/a
Net income from subsidiaries using equity method	10.561	-	n/a
Foreign exchange gains/losses	-243	-183	32,7%
Net financial result	10.319	-183	n/a
Profit before tax	11.287	1.096	930,3%
Income tax expense	-121	-26	360,1%
Profit for the reporting period	11.166	1.069	944,3%
Other comprehensive income			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	-591	-58	927,2%
Other comprehensive income total	10.576	1.012	945,3%
Profit attributable to:			
Equity holders	10.576	1.012	945,3%
Total comprehensive income attributable to:			
Equity holders	10.576	1.012	945,3%

Energbank statement of comprehensive income

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Interest and similar income	3.761	2.581	45,7%
Interest and similar expense	-312	-297	5,1%
Net interest and commission fee income	3.449	2.284	51,0%
Loan administration fees and penalties	0	0	n/a
Loan administration fees and penalties in total	0	0	n/a
Other income	-146	-114	28,1%
Allowances for loan impairment	59	14	321,4%
Net operating income	3.362	2.184	53,9%
Personnel expenses	-1.418	-1.274	11,3%
Depreciation/amortization charge	-159	-147	8,2%
Other operating expenses	-464	-414	12,1%
Total operating expenses	-2.041	-1.835	11,2%
Foreign exchange gains/losses	21	-2	n/a
Net financial result	21	-2	n/a
Profit before tax	1.342	347	286,7%
Income tax expense	-91	-46	97,8%
Profit for the reporting period	1.251	301	315,6%

Consolidated statement of financial position

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	70.629	46.324	52,5%
Loans to customers	155.457	105.372	47,5%
Prepayments	1.627	620	162,4%
Other assets	5.259	3.112	69,0%
Other financial investments	49.590	2.755	>1.000%
Property, plant and equipment	7.088	1.076	558,7%
Right-of-use assets	1.678	1.587	5,7%
Intangible assets	6.846	5.939	15,3%
Total assets	298.174	166.786	78,8%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	240.328	133.945	79,4%
Lease liabilities	1.838	1.765	4,2%
Trade and other payables	789	1.387	-43,1%
Current income tax liabilities	127	638	-80,1%
Deferred tax liabilities	798	882	-9,5%
Other liabilities	4.278	2.586	65,4%
Total liabilities	248.158	141.202	75,7%
Equity			
Minority share	5.837	0	n/a
Share capital	10.000	10.000	0,0%
Legal reserve	799	799	n/a
Revaluation reserve	780	0	n/a
Unrealized foreign exchange differences	-1.233	-510	141,8%
Retained earnings	33.833	15.295	121,2%
Total equity	50.016	25.584	95,5%
Total equity and liabilities	298.174	166.786	78,8%

IuteCredit statement of financial position

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	18.020	46.324	-61,1%
Loans to customers	108.439	105.372	2,9%
Prepayments	1.233	620	98,9%
Other assets	3.820	3.112	22,7%
Other financial investments	35.830	2.755	>1.000%
Property, plant and equipment	1.132	1.076	5,2%
Right-of-use assets	1.395	1.587	-12,1%
Intangible assets	6.280	5.939	5,7%
Total assets	176.149	166.786	5,6%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	134.608	133.944	0,5%
Lease liabilities	1.550	1.765	-12,2%
Trade and other payables	730	1.387	-47,3%
Current income tax liabilities	0	638	n/a
Deferred tax liabilities	790	882	-10,4%
Other liabilities	2.310	2.586	-10,7%
Total liabilities	139.989	141.202	-0,9%
Equity			
Share capital	10.000	10.000	n/a
Legal reserve	799	799	n/a
Unrealized foreign exchange differences	-1.100	-510	115,9%
Retained earnings	26.462	15.295	73,0%
Total equity	36.160	25.585	41,3%
Total equity and liabilities	176.149	166.786	5,6%

Energbank statement of financial position

(In thousand EUR)	31 Mar 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	52.609	48.775	7,9%
Loans to customers	47.018	46.907	0,2%
Prepayments	393	90	336,7%
Other assets	1.423	1.052	35,3%
Other financial investments	42.970	43.961	-2,3%
Property, plant and equipment	5.956	5.970	-0,2%
Right-of-use assets	283	399	-29,1%
Intangible assets	567	533	6,4%
Total assets	151.219	147.687	2,4%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	105.720	112.349	-5,9%
Lease liabilities	289	267	8,2%
Trade and other payables	59	6	883,3%
Current income tax liabilities	127	79	60,8%
Deferred tax liabilities	190	193	-1,6%
Other liabilities	1.785	742	140,6%
Total liabilities	108.170	113.636	-4,8%
Equity			
Share capital	5.010	5.010	n/a
Own shares	0	-2.460	n/a
Share premium	5.826	0	n/a
Legal reserve	490	490	n/a
Revaluation reserve	780	794	-1,8%
Foreign currency exchange reserve	-109	-325	-66,5%
Other reserves	4.037	5.126	-21,2%
Retained earnings	26.906	25.416	5,9%
Total equity	42.940	34.051	26,1%
Total equity and liabilities	151.110	147.687	2,3%

Consolidated statement of cash flows

(In thousand EUR)	3M/2022	3M/2021	Δ in %
Paid prepayments (-)	-6.297	-4.049	55,5%
Received pre- and overpayments (+)	10.933	8.700	25,7%
Paid trade payables outside the Group (-)	-6.714	-4.395	52,8%
Received debts from buyers and received other claims (+)	473	143	231,2%
Received from collection companies (+)	7.559	5.633	34,2%
Paid net salaries (-)	-2.270	-1.561	45,5%
Paid tax liabilities, exc. CIT (-)	-1.902	-1.342	41,8%
Corporate income tax paid (-)	-665	-508	31,0%
Paid out to customers outside the Group (-)	-55.697	-15.597	257,1%
Change in MasterCard settlement account (+/-)	-2.972	-3.562	-16,6%
Principal repayments from customers outside the Group (+)	34.246	7.697	344,9%
Loan principal repayments from customers related to MasterCard (+)	4.699	2.357	99,3%
Interest, commission and other fees received outside the Group (+)	8.136	4.506	80,6%
NET CASH FLOWS FROM OPERATING ACTIVITIES	-10.471	-1.977	429,7%
Purchase of fixed assets outside the Group, incl. prepayments (-)	-995	-56	>1.000%
Net cash flow from acquisition of subsidiaries (+)	44.771	0	n/a
Payments for other financial investments (-)	-22.303	-170	>1.000%
Receipts from other financial investments (+)	17.246	3.745	>1.000%
NET CASH FLOWS FROM INVESTING ACTIVITIES	38.719	3.519	>1.000%
Loans received from investors outside the Group (+)	1.338	9.540	-86,0%
Repaid loans to investors outside the Group (-)	-1.109	-10.388	-89,3%
Principal payments of financial lease contracts (-)	-307	-232	32,5%
Interests paid outside the Group (-)	-3.691	-3.961	-6,8%
Dividends paid outside the Group (-)	0	-500	n/a
Receipts from other financing activities	1	0	n/a
NET CASH FLOWS FROM FINANCING ACTIVITIES	-3.767	-5.540	-32,0%
Change in cash and cash equivalents	24.481	-3.998	n/a
Cash and cash equivalents at the beginning of the period	46.324	19.453	138,1%
Change in cash and cash equivalents	24.481	-3.998	n/a
Net foreign exchange difference	-176	11	n/a
Cash and cash equivalents at the end of the period	70.629	15.466	356,7%
Cash and cash equivalents comprise	31Mar 2022	31 Mar 2021	Δ in %
Cash on hand	12.503	415	>1.000%
Non-restricted current account	58.126	15.052	286,17%

The table has been amended compared to the previously published version due to errors in the labeling, i.e., "net cash flow from acquisition of subsidiaries" instead of "received from the sale of fixed assets outside the Group".

IuteCredit statement of changes in equity

(In thousand EUR)	Share capital	Legal reserve	Share premium	Unrealized foreign exchange differences	Retained earnings	Total
01/01/21	10.000	537	0	-1.689	0	12.639
Profit for the year	0	0	0	0	0	1.069
Other comprehensive income						
Foreign currency translation	0	0	0	-58	0	0
Total comprehensive income	0	0	0	-58	0	1.069
Contribution to share capital	0	0	0	0	0	0
Dividends	0	0	0	0	0	-500
31/03/21	10.000	537	0	-1.747	0	13.208
01/01/22	10.000	799	0	-510	0	15.296
Profit for the period	0	0	0	0	0	11.913
Other comprehensive income						
Foreign currency translation	0	0	0	-723	0	0
Revaluation reserve of financial assets	0	0	0	0	780	0
Total comprehensive income	0	0	0	-723	780	11.913
Acquisition of subsidiary	0	0	0	0	0	6.767
Acquisition of non-controlling interest	0	0	0	0	0	-143
Allocation to reserves	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
31/03/22	10.000	799	0	-1.233	780	33.833

Additional consolidated key performance indicators

Profitability	3M/2022	3M/2021	Δ in %
Return on average assets	5,2%	0,9%	4,3%
Return on average equity	32,2%	4,9%	27,3%
Interest income/Average interest earning assets	8,0%	9,7%	-1,7%
Interest income/Average gross loan portfolio	10,7%	11,3%	-0,6%
Interest income/Average net loan portfolio	9,9%	13,4%	-3,4%
Interest expense/Interest income	28,5%	30,0%	-1,5%
Cost of funds	2,3%	3,3%	-1,0%
Cost of interest-bearing liabilities	2,4%	3,5%	-1,1%
Net interest margin	9,4%	10,0%	-0,6%
Net effective annualized yield	12,0%	14,2%	-2,2%
Net impairment/interest income	23,2%	38,1%	-15,0%
Net fee and commission income/Total operating income	95,9%	93,9%	2,0%
Earnings before taxes/Average total assets	5,3%	0,9%	4,4%
Efficiency	3M/2022	3M/2021	Δ in %
Total assets/Employee (in thousand EUR)	361	382	-5,6%
Total operating income/Employee (in thousand EUR)	22	34	-34,8%
Cost/Income ratio	45,2%	38,5%	6,7%
Total recurring operating costs/Average total assets	0,5%	0,7%	-0,1%
Total operating income/ Average total assets	7,9%	11,8%	-3,9%
Personnel costs/Total recurring operating costs	275,7%	298,1%	-22,4%
Personnel costs/Total operating income	18,8%	16,7%	2,1%
Net operating income/Total operating income	56,1%	47,7%	8,4%
Net income (Loss)/Total operating income	66,1%	7,7%	58,4%
Profit before tax (Loss)/Interest income	78,9%	10,2%	68,6%
Liquidity	3M/2022	3M/2021	Δ in %
Net loan receivables/Total assets	52,1%	63,2%	-11,0%
Average net loan receivables/Average total assets	67,8%	68,0%	-0,2%
Net loan receivables/Total liabilities	62,6%	74,6%	-12,0%
Interest earning assets/Total assets	65,8%	66,2%	-0,5%
Average interest earning assets/Average total assets	65,9%	87,1%	-21,1%
Liquid assets/Total assets	40,3%	29,4%	10,9%
Liquid assets/Total liabilities	48,4%	34,8%	13,7%
Total deposits/Total assets	14,5%	0,1%	14,4%
Total deposits/Total liabilities	17,4%	0,1%	17,3%
Total deposits/Shareholders' equity	86,6%	0,8%	85,8%
Tangible common equity/Tangible assets	14,8%	12,2%	2,6%
Tangible common equity/Net receivables	27,8%	18,6%	9,1%
Net Loan Receivables/Equity (times)	3,1	4,1	-24,5%
Asset quality	3M/2022	3M/2021	Δ in %
Loan loss reserve/Gross receivables from client	10,0%	12,5%	-2,5%
Average loan loss reserve/Average gross receivables from clients	11,0%	14,3%	-3,3%
Cost of risk	10,8%	15,2%	-4,4%
Gross NPL ratio	15,7%	18,1%	-2,4%
Impairment coverage ratio	63,6%	69,0%	-5,4%
Selected operating data	3M/2022	3M/2021	Δ in %
Number of employees (adjusted to full-time)	1.007	408	146,8%
Average monthly gross salary in group (in EUR)	283	402	-29,6%

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%.

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IuteCredit Finance S.a.r.l.
14, rue Edward Steichen
2540 Luxembourg
Luxembourg
www.iutecredit.com