

# EARNINGS CALL PRESENTATION

6M 2023



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# Presenting



## Tarmo Sild

Chief Executive Officer

- Co-founder of Iute Group (formerly IuteCredit)
- After graduating high school with a gold medal in 1994, tossed the coin, whether to study economics or law. Tarmo holds a Master's degree with distinction in Law from Vrije Universiteit Brussels while a BA degree was obtained in University of Tartu after one year of studies in University of Helsinki
- Tarmo started his professional career as an attorney in 1999 and was founding partner and manager of LEXTAL Law Firm until 2010
- Co-founded IuteCredit with Allar Niinepuu in 2008, after a late-night discussion with an inspirational Estonian banker



## Kadi Raudsepp

Chief Legal Officer

- Joined Iute in 2020
- Her wide experience in the legal field and financial services includes both the public and private sectors, including leading the Legal department in an investment firm Admiral Markets and working in the Legal and Compliance department in an international finance company Creditstar.
- Kadi Raudsepp holds a Master's degree in Law from the University of Tartu



## Kristel Kurvits

Chief Financial Officer

- Kristel has been building Iute Group (formerly IuteCredit) since 2017
- Kristel holds a Master's degree in Financial Management from Estonian Business School
- Since 2000 she has served as Chief Financial Officer for MTÜ Estonian Banking Association
- Has performed as chief accountant of Ektornet Land Estonia OÜ, the SPV of Swedbank Group to deal with the high risk exposures in 2008 financial crisis) and financial reporting of the group companies
- Kristel started her professional career at Hansa Leasing Inkasso OÜ (part of Hansapanga Group)

# Group Highlights



## Total Customer Pool



**~970,000+**  
+4.5% vs. YE22

## Net Loan Portfolio



**208.0 EURm**  
+7.3% vs. YE22

## Total Revenue



**51.9 EURm**  
+29.0% vs. 6M22

## Adj. EBITDA



**23.1 EURm**  
+48.1% vs. 6M22

## Customer Performance Index (CPI)\*



**88.2%**  
vs. 91.1% YE22

## NPLs in Net Portfolio



**8.0%**  
vs. 7.7% YE22

- Number of active customers reached 298 thousand (YE22: 293 thousand) and the revenue per customer 338 EUR (12M/2022: 346 EUR)
- Increasing use of Mylute app drives wallet revenues up 54.5% 914 EURk (6M22: 591 EURk) - 619 thousand downloads (YE22: 477 thousand)
- Strong momentum in insurance services with fivefold growth to 795 EURk (6M22: 132 EURk)
- Loan payouts increased 12.3% to 133.8 EURm (6M22: 119.1 EURm)
- Launch of e-money institution lutePay in Albania as major milestone in evolution of Wallet business to generate additional value streams - QR code payments in Mylute app leverage existing pocket infrastructure while breaking down the existing fee and cost structure for payment processing
- Increasing focus on regulatory and compliance management in changing environment
- Loan repayment discipline becomes more important than growth

\* Applicable to lute Non-Bank only

# OPERATIONAL FOOTPRINT

## Geographical and product diversification



### Non-Bank

\*As of 06/2023

#### Moldova



Launched in August 2008  
Loans issued 42.1 EURm  
Net loan portfolio 57.5 EURm

Total income 13.0 EURm  
EBITDA 5.0 EURm  
Impairments 5.8 EURm

#### Albania



Launched in April 2015  
Loans issued 40.1 EURm  
Net loan portfolio 61.4 EURm

Total income 17.2 EURm  
EBITDA 7.4 EURm  
Impairments 6.3 EURm

#### North Macedonia



Launched in September 2017  
Loans issued 17.3 EURm  
Net loan portfolio 26.8 EURm

Total income 9.1 EURm  
EBITDA 1.3 EURm  
Impairments 4.2 EURm

#### Bulgaria



Launched in June 2021  
Loans issued 10.4 EURm  
Net loan portfolio 7.5 EURm

Total income 2.3 EURm  
EBITDA -0.8 EURm  
Impairments 3.0 EURm

#### Bosnia and Herzegovina



Launched in May 2019  
Loans issued 0.0 EURm  
Net loan portfolio 1.9 EURm

Total income 0.6 EURm  
EBITDA -0.6 EURm  
Impairments -0.9 EURm

### Bank

\*As of 06/2023

#### Moldova

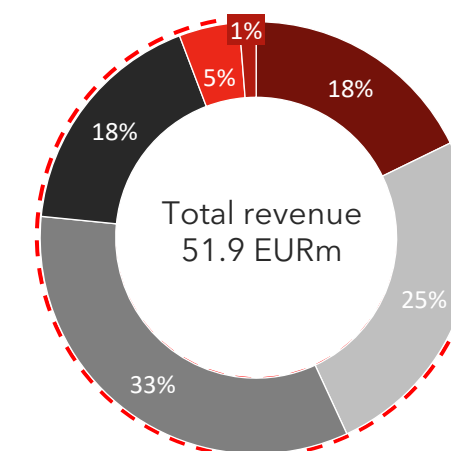
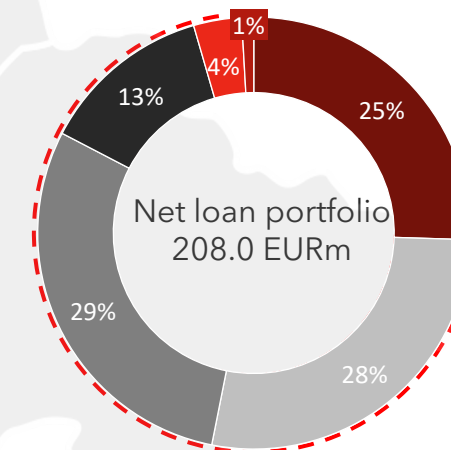


Acquired in 2022  
Loans issued 24.0 EURm  
Net loan portfolio 53.0 EURm

Total income 9.1 EURm  
EBITDA 4.2 EURm  
Impairments 3.2 EURm

### Portfolio balance

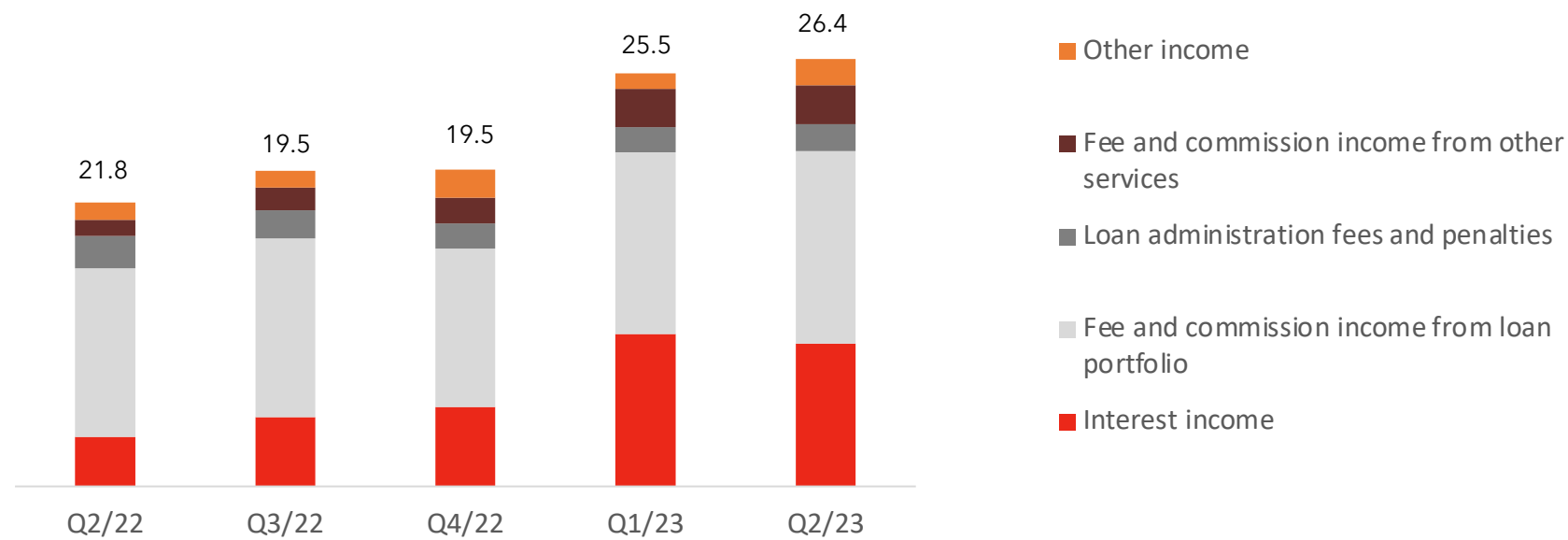
\*As of 06/2023



# Operating Highlights

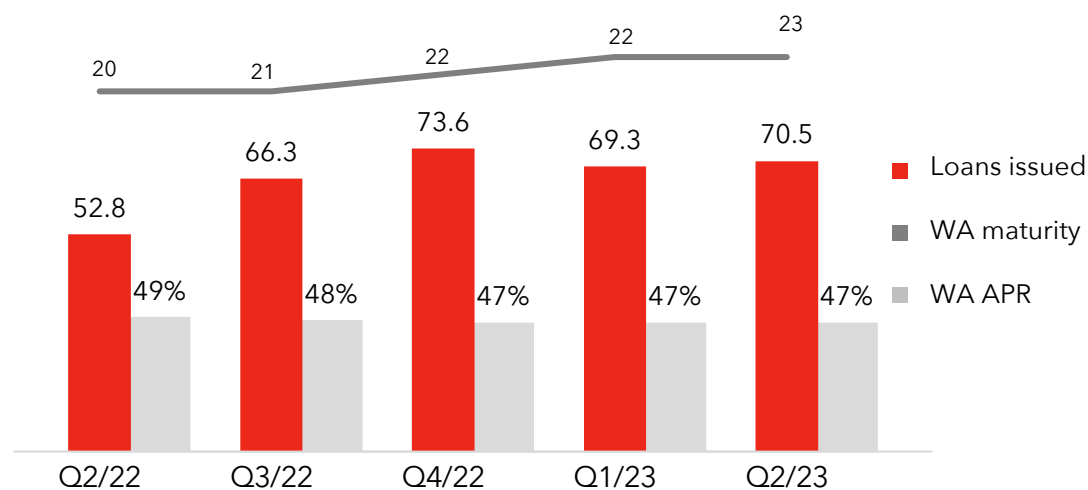


Total Revenue (EURm)

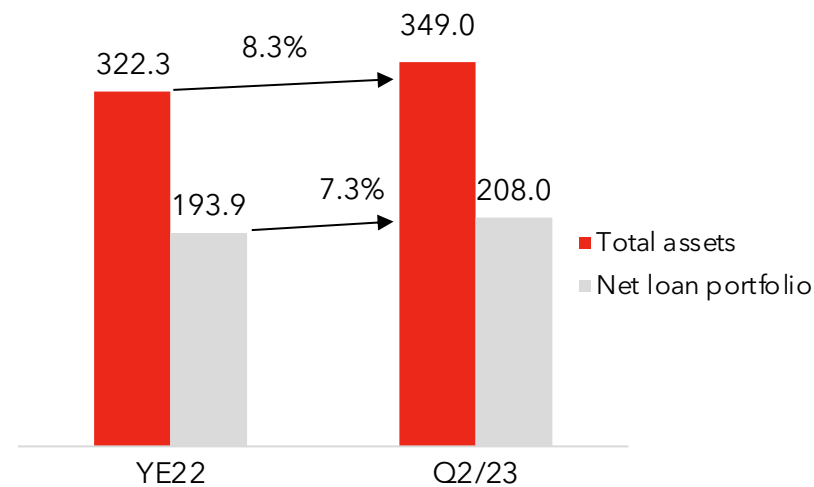


- Total revenue up 29.0% to 52.0 EURm in 6M23
- Loan payouts increase by 12.3% to 133.8 EURm (6M/22: 119.1 EURm) translating to a net loan expansion to 208.0 EURm
- WAVG APR of new loan issuances at 47% with loan maturity stable at 23 months
- Mylute App downloaded by more than 619 thousand customers as of Q2/23

Loans issued (EURm)



Total assets (EURm)



# Loan Repayment Behaviour

## Iute Non-Bank only



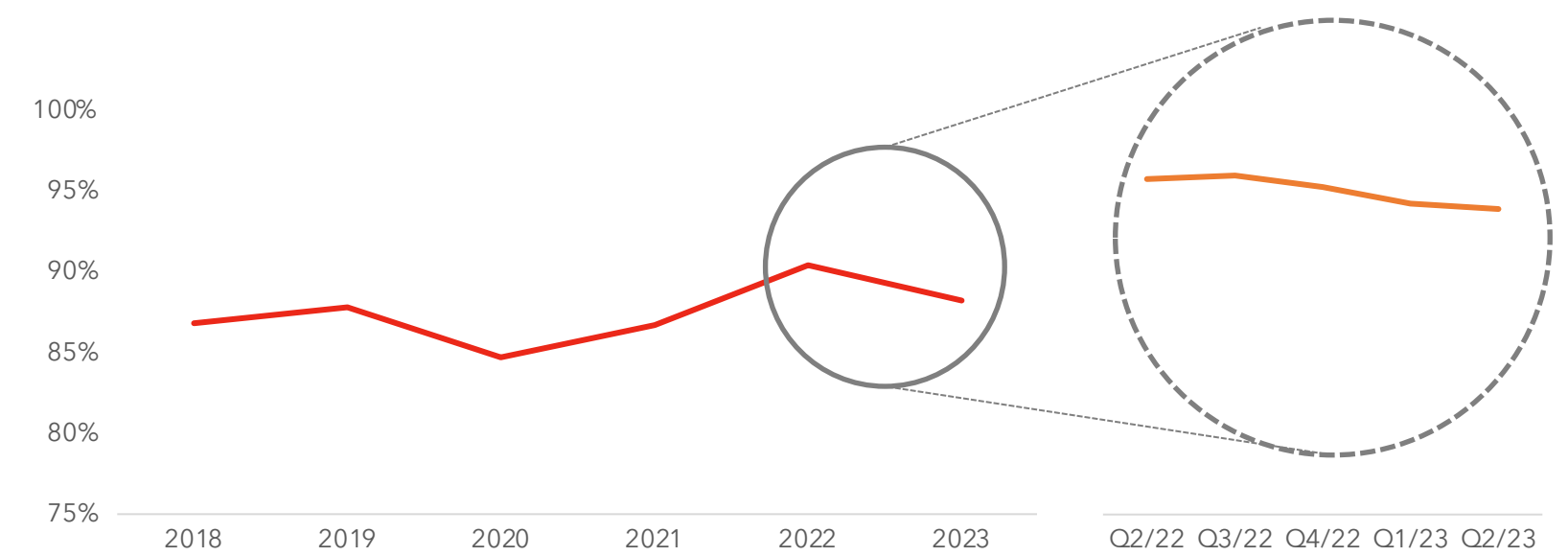
### Customer Performance Index

- **CPI**, a unique index developed by Iute, measures customers' actual repayments against the scheduled monthly expectations, within a tolerance period for repayment delay:

$$\text{CPI} = \frac{\text{Actual Monthly Repayments}}{\text{Expected Monthly Repayments}}$$

- Repayment with up to 30 days of delay (CPI30) is considered normal. Iute Group declares a loan defaulted (and recognizes it as NPL) when repayment is delayed for at least 50 days (DPD+50).
- Iute Group considers CPI the most important metric for loan portfolio performance. It's a cashflow-centric indicator that avoids illusions from evergreening or inadequate provisioning.
- Iute Non-Bank weighted average CPI30 across loan products and markets in 6M/23 was at 88.2% (6M/22: 91.1%).

### Evolution of Customer Performance Index (CPI 30)



- Shift in repayment performance from recent record levels towards previous levels attributable to impact on customers' income and cost basis, inflation and also Iute's higher risk tolerance approach taken in 2022.
- Improvement expected by implementing internal counter-measures related to risk tolerance. Long-term target value is 90.

# Defaulted Performance Index

## Iute Non-Bank only



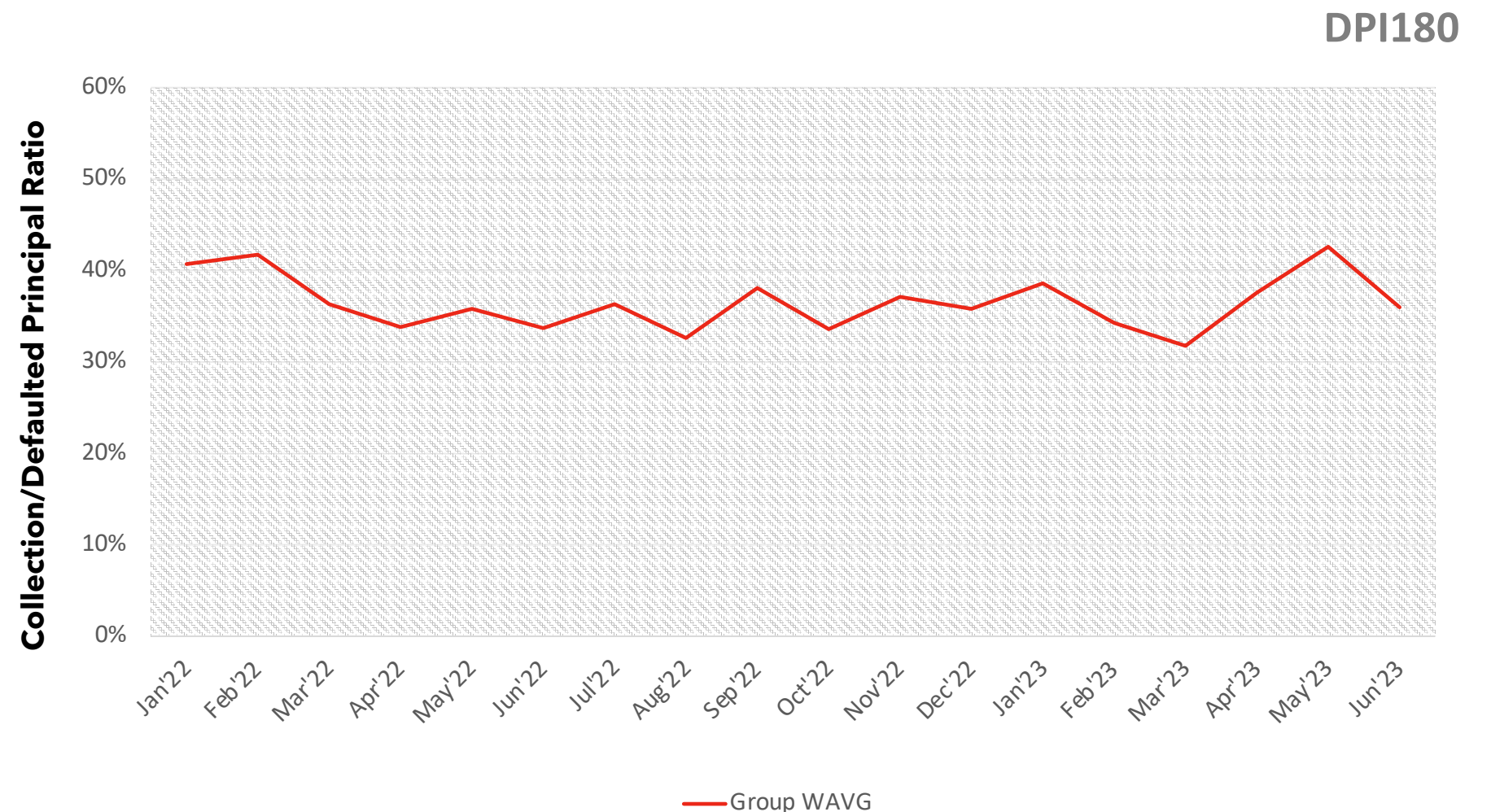
### Defaulted Performance Index (DPI)

- **DPI**, another performance index used by Iute, measures the **actual collected amount** from defaulted customers against the **principal debt amount at termination** of loan agreements:

$$\text{DPI} = \frac{\text{Actual Repayments after Termination}}{\text{Principal Debt at Termination}}$$

- Iute has been recovering ~35% of defaulted principal within 180 days from termination of loan agreements.
- Iute also used the option to sell parts of debt portfolios within 180 days from termination.
- Higher inflation and worsening household income/cost ratio affects both performing and defaulted customers

### Defaulted Loan Collection





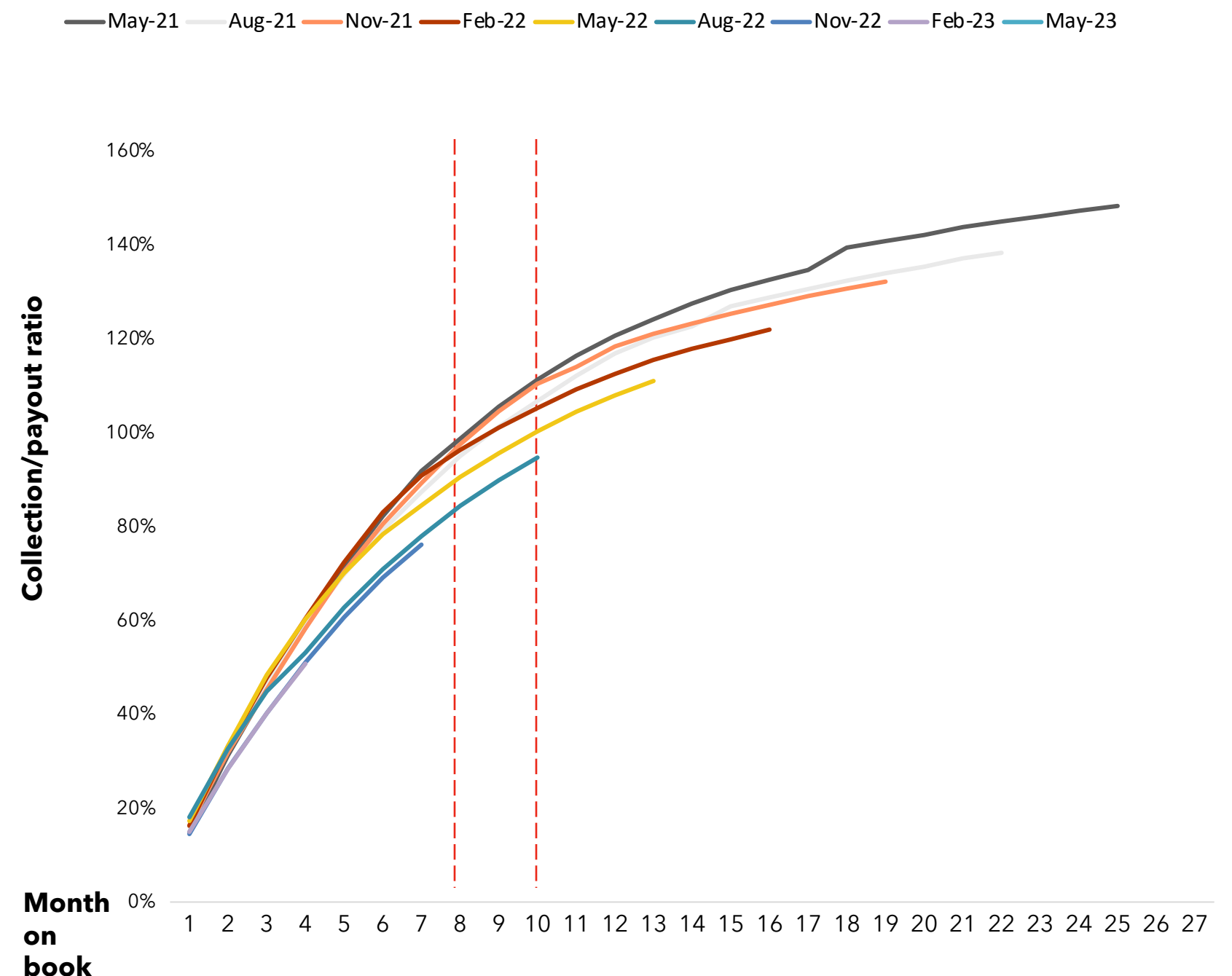
# Repayment dynamics

## Iute Non-Bank only



- The chart indicates Iute Non-Bank's loan repayment performance over time by showing the aggregate repayments of different monthly loan issuance cohorts (vintages), as measured in % of the original paid out loan amount (100%).
- March 2021 to September 2021 vintages demonstrate a relatively **complete loan cycle**, whereas September 2021 to May 2023 vintages include loans which full maturity has not yet arrived.
- Most of the loan cohorts can recover their paid-out principal by 7 to 9 months from the moment of paying out, which is **significantly shorter** than the average loan maturity of 18 months, indicating Iute Non-Bank's **excellence in loan repayments efficiency**.
- By the end of loans lifecycle, Iute Non-Bank can receive about ~145% of the paid-out amount which represents the **money earned from customers in addition to principal repayment**.

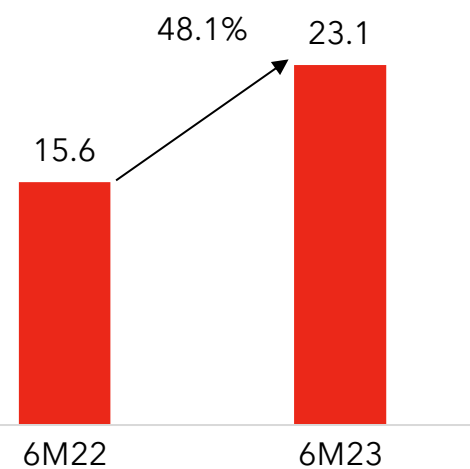
### Vintage Performance



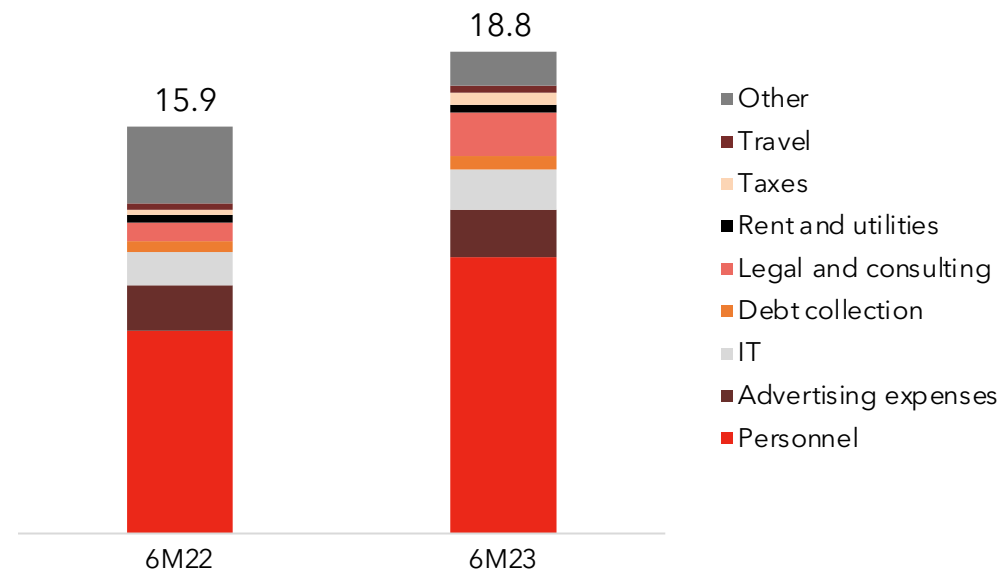
# Financial Highlights



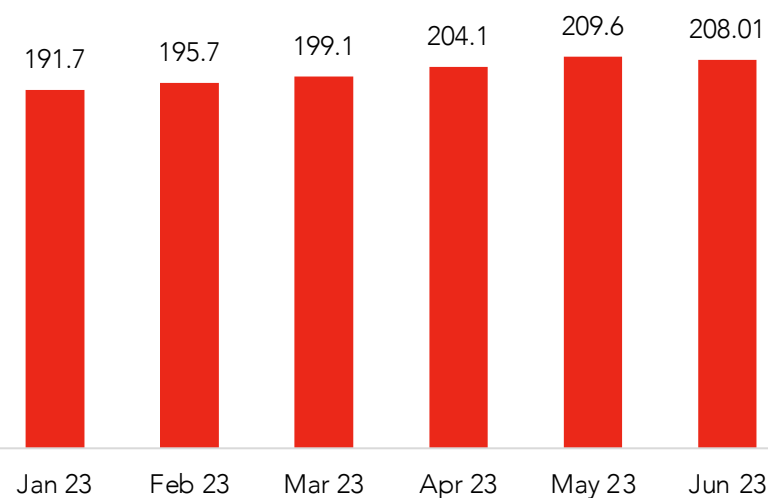
Adj. EBITDA (EURm)



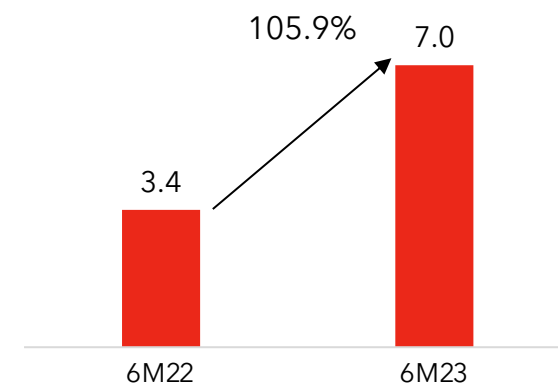
Operating Expenses Breakdown (EURm)



Net loan portfolio (EURm)



Adj. net profit (EURm)

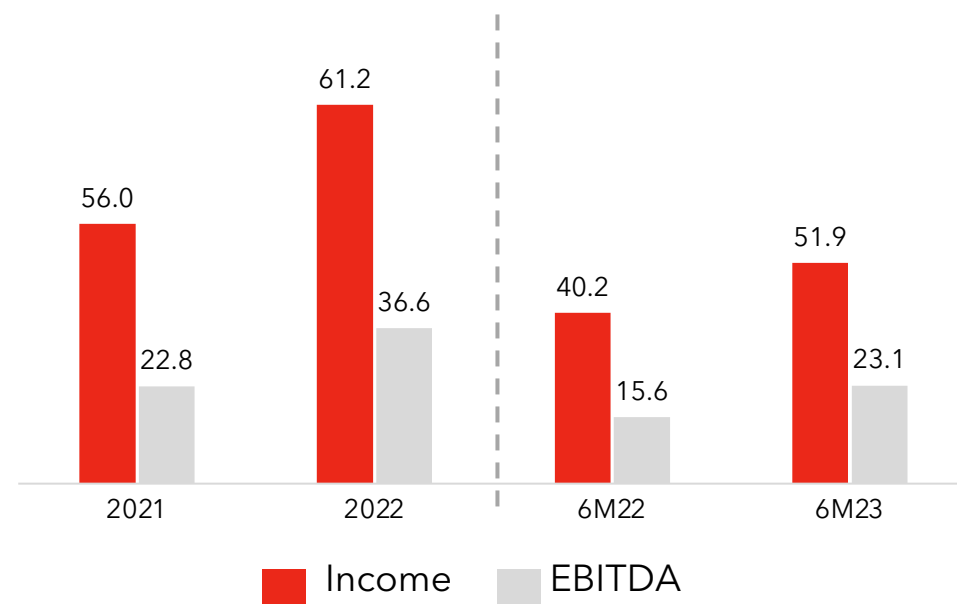


- EBITDA adjusted for FX/revaluations and integration expenses related to Energbank up up 48.1% to 23.1 EURm (6M/22: 15.6 EURm)
- Operating expenses growth follows the revenue growth, driven by personnel (incl inflation related salary increases) costs as well as legal & consulting costs on regulatory affairs.
- Cost to revenue ratio improved to 42.9% (6M/2022: 45.0%) following expenses related to the acquisition of Energbank and expenses for buildup of future revenue streams in the prior-year period
- Net loan portfolio at 208.0 EURm with ongoing focus on quality rather than quantity.
- Net profit at 7.0 EURm in 6M23 compared to 3.4 EURm in the prior-year period adjusted for one-off gains related to the acquisition of Energbank (reported 13.0 EURm). Both Iute Non-Bank and Energbank being continuously profitable.
- Strong capitalization ratio of 31.5 and interest coverage ratio of 1.8 (LTM)

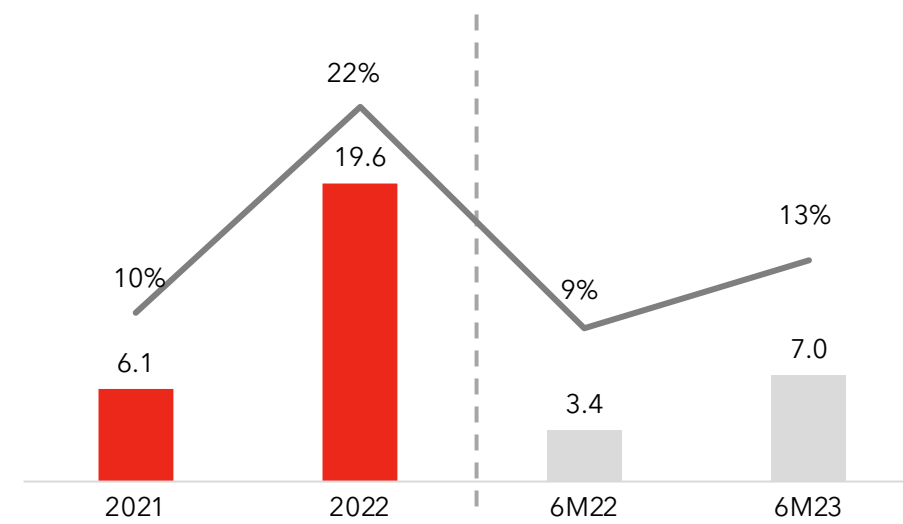
# Financial Ratios



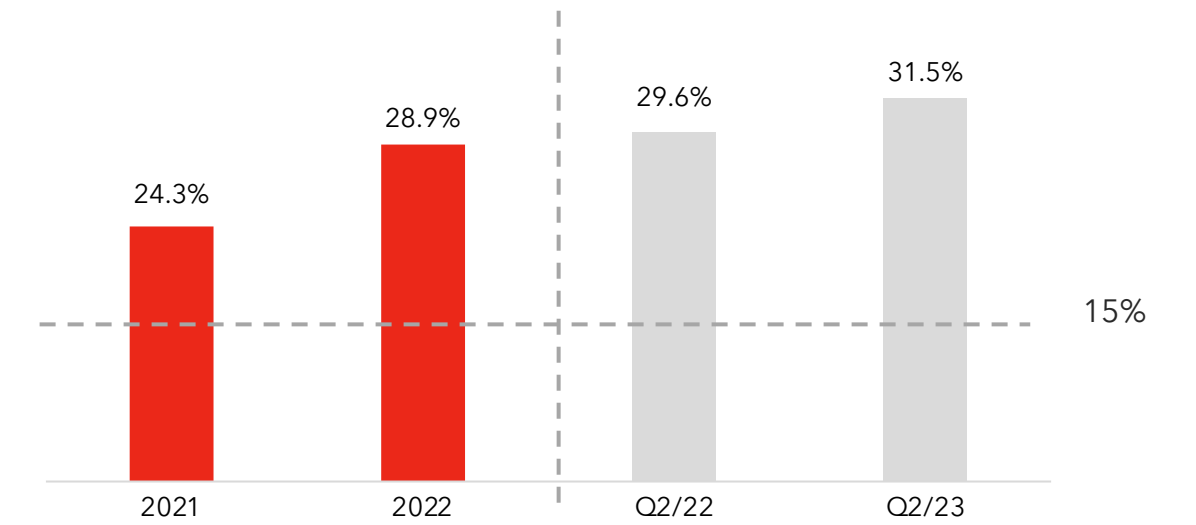
Income & Adj. EBITDA\* in EURm



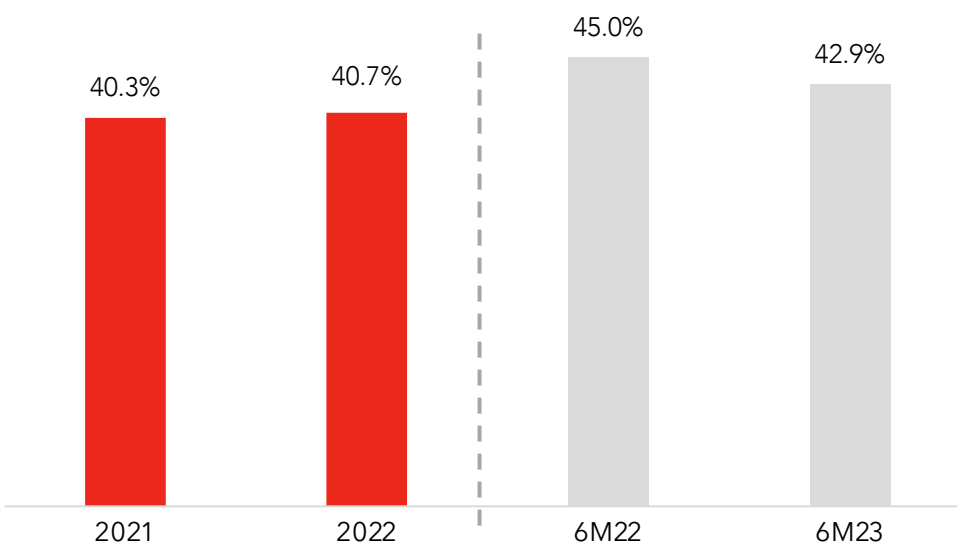
Net profit\* in EURm & Net profit margin\*



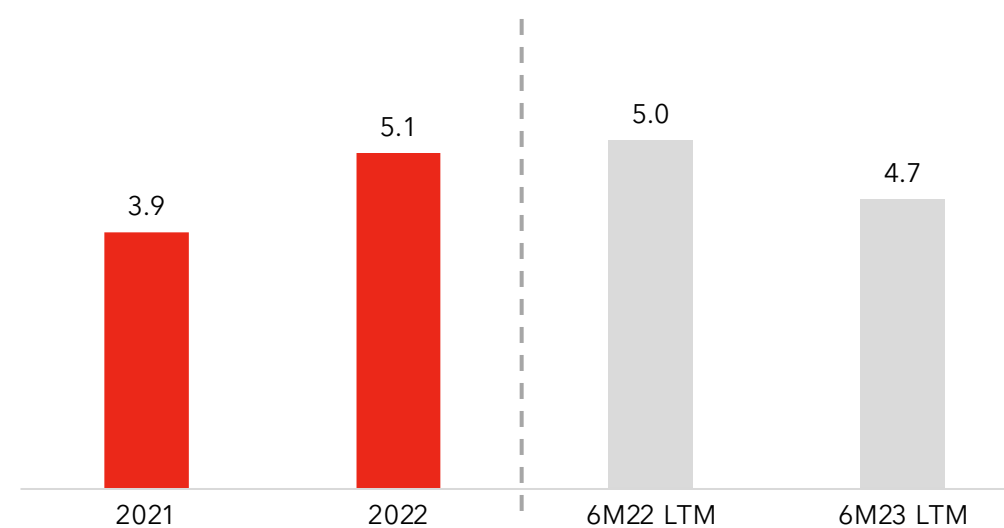
Capitalization ratio



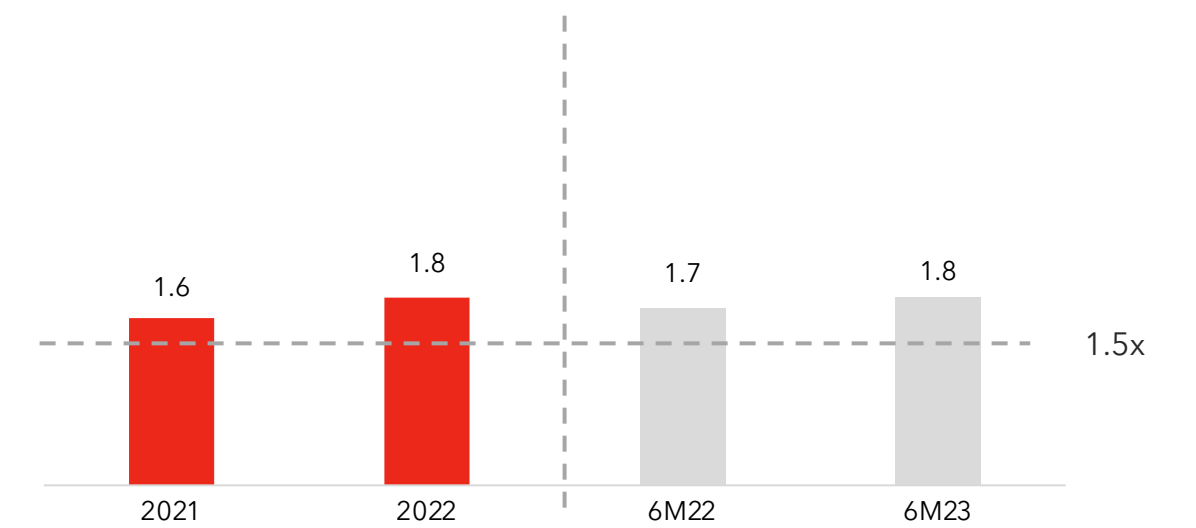
Cost to income ratio



Leverage ratio\*



Interest coverage ratio\*

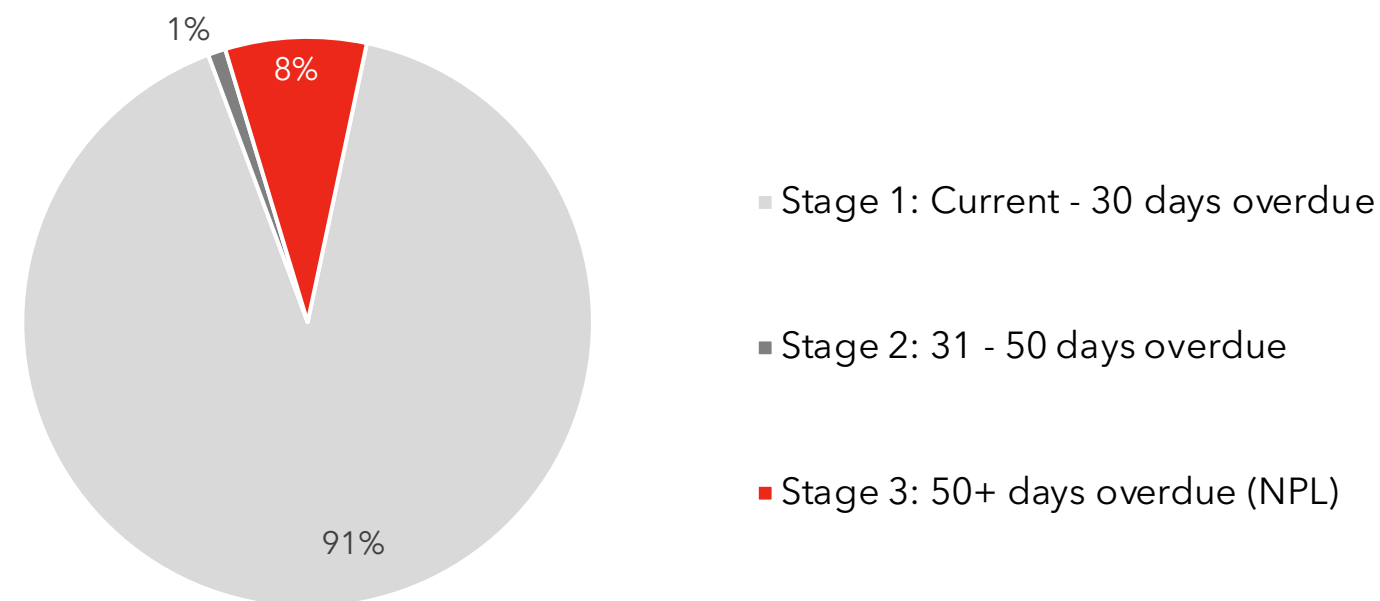


\* Adjusted for non-operating items in accordance with terms and conditions

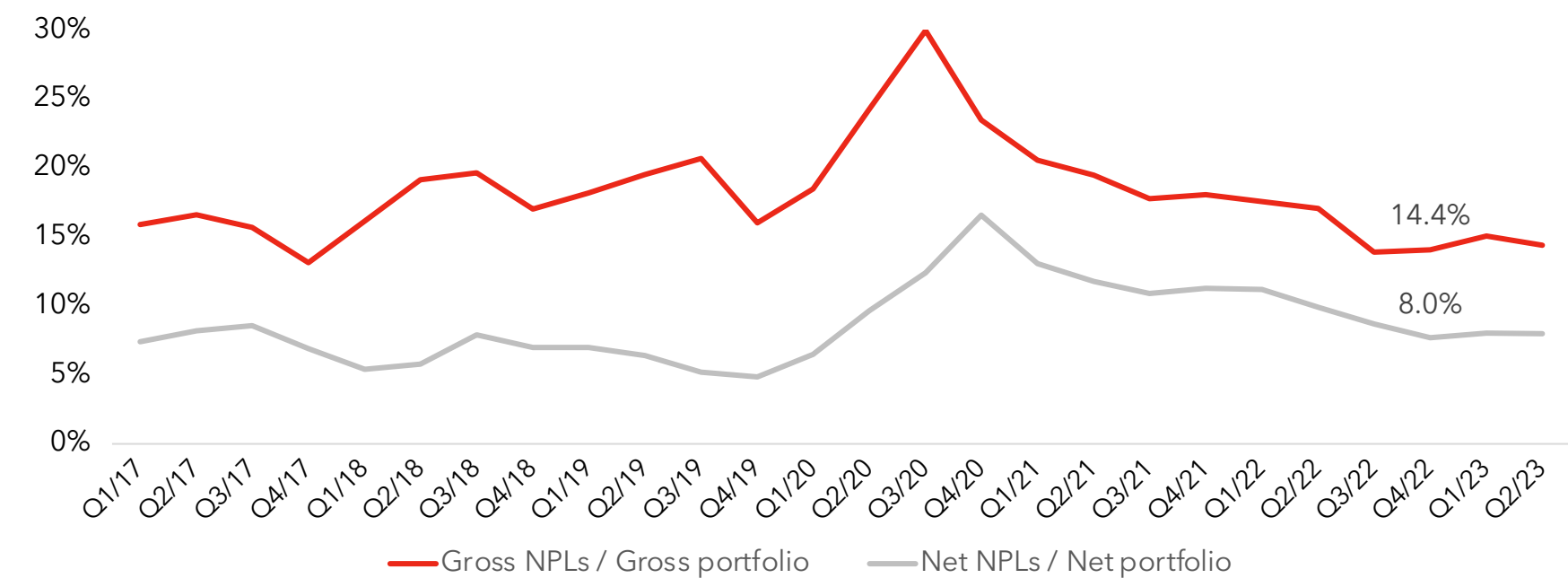
# Loan Asset Quality Analysis



## Net loan portfolio quality analysis (Q2/23)



## Gross and net NPL (50+ DPD) portfolio



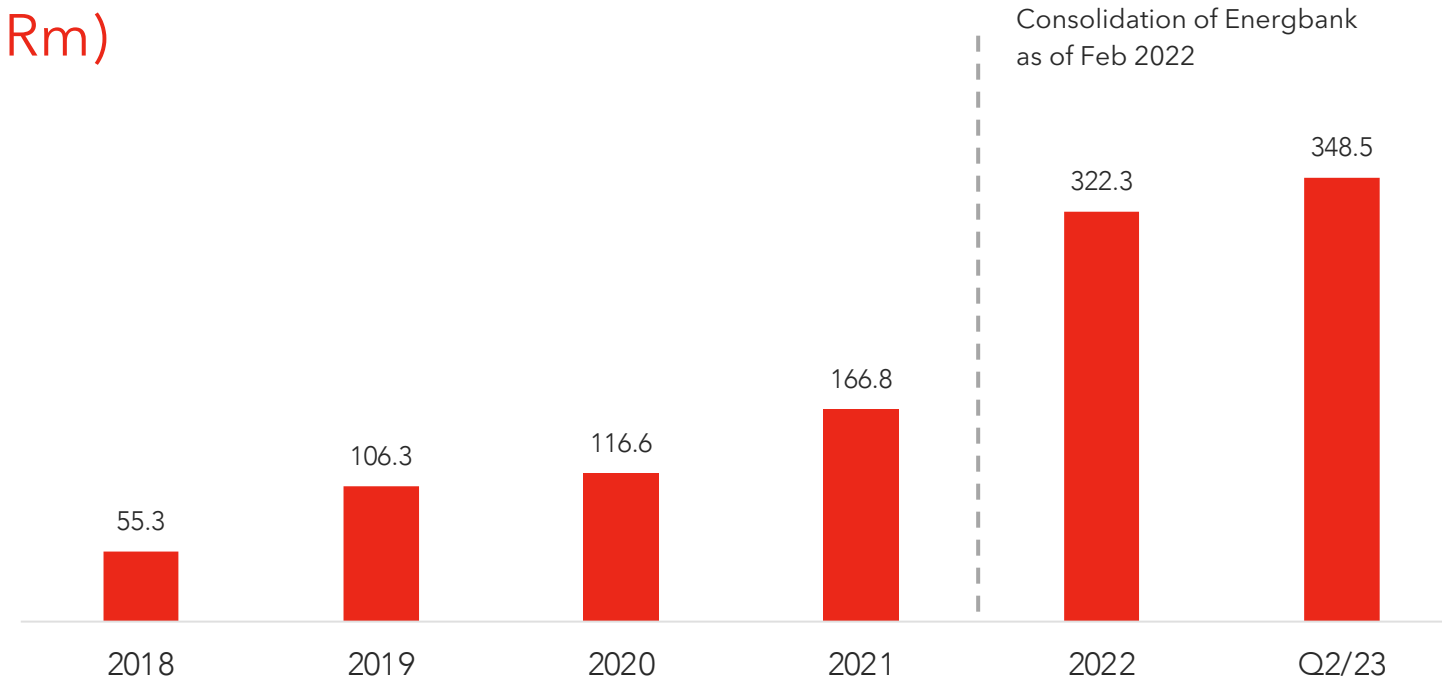
- Iute Group applies a conservative internal NPL definition
- Loans 50+ DPD recognized as non-performing loans (NPLs)
- Iute Group has always followed the ECL methodology prescribed by IFRS 9
- Iute Group creates and accounts for provisions simultaneously when loans are being issued

- Iute Group's Gross and Net NPL ratios have been stable during 2016 and 2020, yet was negatively impacted by COVID during Q2 and Q3 2020
- Both Gross and Net NPL ratios declined and recovered towards pre-COVID level
- As of Q2/23, Iute Group's Gross NPL at 14.4%, Net NPL at 8.0%
- Provision coverage ratio at 69.7 % as of Q3/22, down from 70.9% at FY22. The under-provision book is the consequence of not selling the NPL on recurring base

# Assets & Liabilities



## Assets (EURm)

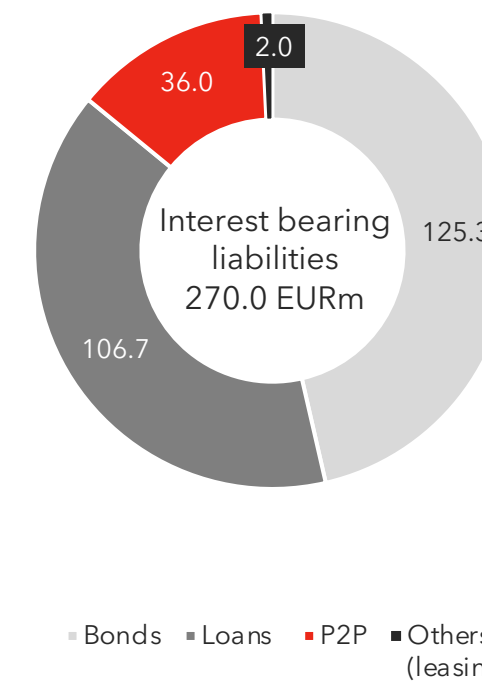


**2019**      **2020**      **2021**      **2022**      **6M/23**

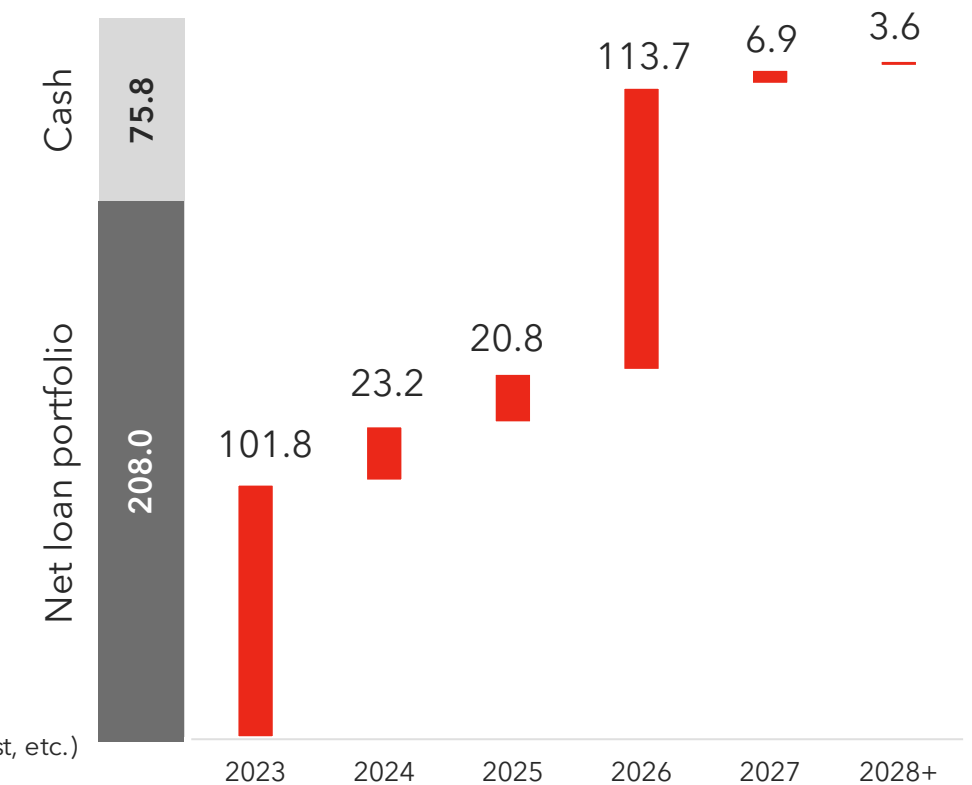
**Capitalization ratio**      26.4%      23.4%      24.3%      28.9%      31.5%

- 81.4% of total assets consist of net loan portfolio as well as cash and liquid assets as end of Q2/23
- Healthy capitalization ratio of 31.5%

## Liabilities (EURm)



## Liability maturities (EURm)



- Total liabilities at 282.9 EURm as of Q2/23 (YE22: 266.2 EURm).
- Loans and borrowings at 270.0 EURm (YE22: 253.4 EURm), accounting for 95.4% of all liabilities (YE22: 95.2%)
- Net interest-bearing liabilities at 194.2 EURm (YE22: 187.7 EURm)
- Bonds accounting for 46% of borrowings, followed by loans with 40%, and P2P with 13%

Note: Net interest-bearing liabilities: Total interest-bearing liabilities minus cash and liquid assets

# Environmental, Social & Governance



## Good health and well-being

- **Support** several **sports events** with active participation among lute employees
- **Employees donate blood** regularly
- **Private health insurance** for all employees and **benefits** for family members
- Offer its employees **work and self-improvement opportunities** such as further education, team training, and attractive bonuses
- **Covid-19 vaccination** in the workplace
- **Support hospitals** with **funds and equipment**
- **Donated 100,000 EUR to Ukraine** to support their **fight for freedom**, and lute employees in **Moldova supporting refugees** with food and accommodation



## Quality education

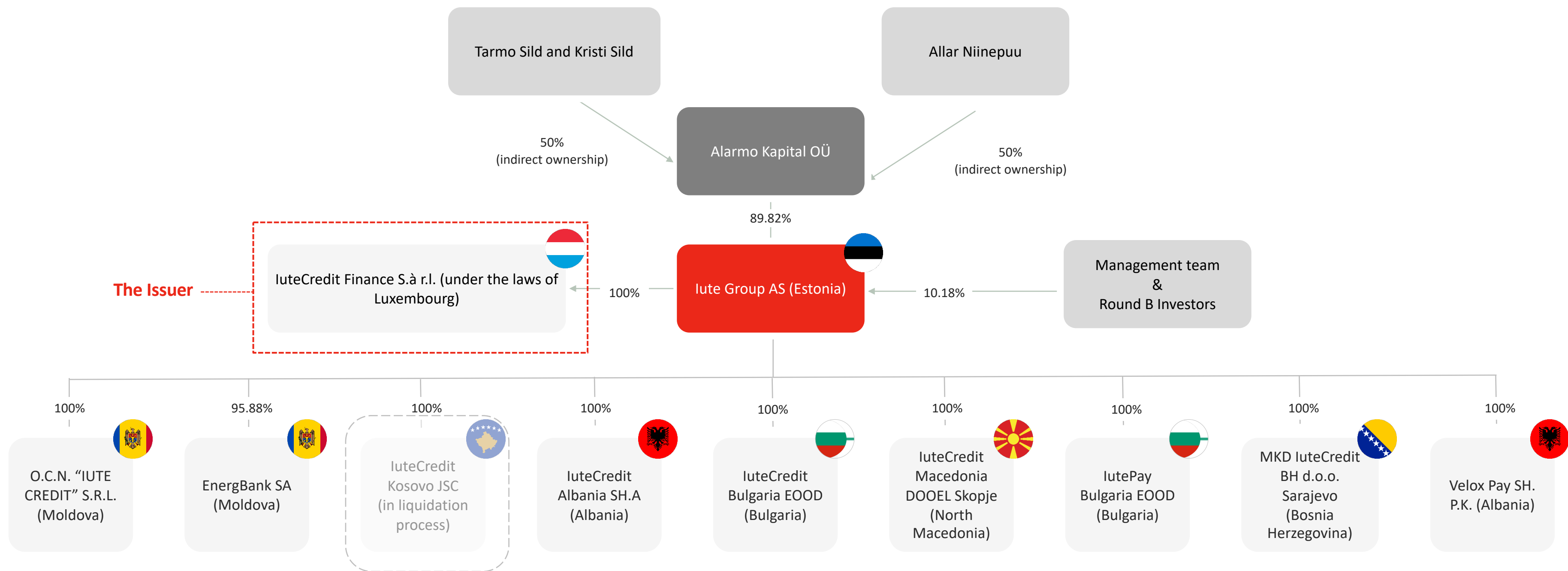
- **Support several education campaigns** to increase the financial literacy
- **Scholarships** to students
- Organizing and participating in **conferences** to educate **about digitalization and e-government** solutions
- **Mentoring** young professionals in Macedonia in the **"Young Leaders and Business Managers"** program
- **Co-financing scholarships for employees** for bachelor, master, or Ph.D. programs as well as certification programs



## Industry, innovation and infrastructure

- Offer clients in **underbanked markets** financing for their daily basic needs as well as for improvement of their lifestyle
- Mylute app saves customers from unnecessary travel to the branch or agent, with ecological footprint of about **120,000 less travels per quarter**, translating to **at least 480,000 less travel kilometers per month**
- Avoid usage of paper and promotion of online and non-paper interaction channels with the customers, **~125,000 pages of paper are saved per month**, which equals to 15 big trees
- Digital revolution on the Balkan markets by piloting cardless ATMs, thereby diminishing the need for plastic cards and **reducing possible plastic waste**
- **First company** in Macedonia offering **MasterCard card**

# Group Legal Structure



# Role of compliance

## Three lines of defense:

### 1st line of defense

The Business Line

Employees who are responsible for identifying and controlling risks by implementing internal policies, processes and adequate controls.

### 2nd line of defense

Compliance & Risk

Responsible for adopting internal policies and processes that meet the legal requirements.

### 3rd line of defense

Internal Audit  
*Supervisory  
Authorities*

Independently reviews the controls applied by the first two lines of defense.

- ensuring the lawfulness of the activities of Iute;
- the role is primarily preventive in its essence and aimed at the prevention of the realisation of potential risks but does not rule out the performance of current and follow-up inspections;
- in order to identify, reduce and prevent the risks resulting from non-performance of the obligations arising from legislation, the compliance employee keeps themselves up-to-date with legislation and any amendments made therein, and with the other acts that stipulate the obligations of Iute, its managers and employees;
- each Iute company has their own Chief Legal & Compliance Officer, who reports directly to the local CEO as well as to the Group Chief Legal & Compliance Officer.



# Supervisory authorities

Country	Regulator	Applicable regulation
 <b>Albania</b>	Bank of Albania	<ul style="list-style-type: none"> <li>• The Regulation on Consumer and Mortgage Loan</li> <li>• The Regulation on Transparency on banking and financial products and services</li> <li>• Consumer Protection Law</li> <li>• Personal Data Protection and Information rights</li> <li>• Anti money Laundering and Combating of terrorism financing law</li> </ul>
 <b>Bosnia and Herzegovina</b>	Banking Agency of the Federation of BiH (FBA)	<ul style="list-style-type: none"> <li>• Law on Microcredit Organizations</li> <li>• By-laws (decisions of the Federal Banking Agency)</li> <li>• Law on Business Companies</li> <li>• Law of federal banking Agencies</li> <li>• Protection of Users of Financial Services</li> <li>• Personal Data Protection Law</li> <li>• Prevention of money laundering and terrorist financing</li> </ul>
 <b>Moldova</b>	National Bank of Moldova (as of 3 July 2023) <i>(until 2 July 023 National Commission of Financial Market)</i>	<ul style="list-style-type: none"> <li>• The law on non-bank lending organizations</li> <li>• The law on consumer credit agreements</li> <li>• Civil Code</li> <li>• Personal Data Protection Law</li> <li>• The law on prevention and combating money laundering and terrorism financing</li> <li>• Regulation on responsible lending requirements applied to non-bank lending organizations</li> </ul>
 <b>North Macedonia</b>	Ministry of Finance	<ul style="list-style-type: none"> <li>• Law of Obligations</li> <li>• Law on consumer protection in case of consumer loan agreements</li> <li>• Law on financial companies</li> <li>• Law on personal data protectionLaw on prevention of money laundering and terrorism financing</li> </ul>
 <b>Bulgaria</b>	Bulgarian National Bank	<ul style="list-style-type: none"> <li>• The Law on Credit Institutions</li> <li>• Consumer Credit Law</li> <li>• Consumer Protection Law</li> <li>• Personal Data Protection Law</li> <li>• Anti-Money Laundering and Combating of Terrorism Financing Law</li> </ul>

# New requirements with highest impact 2022/2023



## MOLDOVA

- Responsible lending regulation, effective as of 1 September 2022
- 0.04% daily cap for all related payments of the loan except interest, effective as of 29 May 2022, further amendments to the regulation effective as of 3 July 2023;
- 50% cap on loan interest, effective as of 29 May 2022.



## ALBANIA

- Different EIR cap for loans under 200,000 LEK and over 200,000 LEK, effective as of mid 2022, cap changes in every 6 months.



## NORTH MACEDONIA

- The nominal (paid-in) capital for financial companies is increased from MKD 6m to MKD 30m - this does not impact the activities of Iute as our nominal capital is higher; effective as of 28 July 2023;
- any fees applicable that are not part of APR cannot exceed 60% of the principal loan amount, effective as of 28 July 2023.

# EARNINGS CALL PRESENTATION

6M 2023



# Thank you for your attention!

## **Iute Group**

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# Consolidated Income Statement



in EURm	2020	2021	2022	6M22	6M23
Interest and commission fee income	44.5 (79.4%)	48.3 (79.0%)	78.6 (88.1%)	34.7 (86.3%)	46.0 (88.6%)
Loan administration fees and penalties	8.4 (15.0%)	8.2 (13.4%)	7.3 (8.2%)	4.0 (10.0%)	3.2 (6.2%)
Other income	3.1 (5.6%)	4.7 (7.6%)	3.3 (3.7%)	1.5 (3.7%)	2.6 (5.0%)
<b>Total Income</b>	<b>56.0</b> (100.0%)	<b>61.2</b> (100.0%)	<b>89.2</b> (100.0%)	<b>40.2</b> (100%)	<b>51.9</b> (100%)
Interest expense	(11.0) (19.6%)	(14.4) (23.5%)	(20.2) (22.7%)	(9.3) (23.1%)	(13.1) (25.2%)
Allowances for loan impairment	(18.8) (33.5%)	(16.3) (26.7%)	(19.3) (21.7%)	(9.2) (22.9%)	(11.4) (22.0%)
<b>Net operating income</b>	<b>26.3</b> (46.9%)	<b>30.5</b> (49.9%)	<b>49.6</b> (55.7%)	<b>21.7</b> (54.0%)	<b>27.4</b> (52.8%)
Salaries and other personnel expenses	(8.1) (14.4%)	(8.9) (14.6%)	(17.5) (19.6%)	(8.0) (19.9%)	(10.8) (20.8%)
Other operating expenses	(8.3) (14.8%)	(13.1) (21.4%)	(18.9) (21.2%)	(8.0) (19.9%)	(9.7) (18.7%)
Depreciation/amortization charge	(1.7) (3.1%)	(2.6) (4.3%)	(4.1) (4.6%)	(2.2) (5.5%)	(1.8) (3.5%)
Financial assets measured at fair value gains/losses	-	0.8 (1.4%)	0.0 (0.0%)	9.6 (23.9%)	0.0 (0.0%)
Net income from financial investments	-	-	10.0 (11.2%)	9.6 (23.9%)	0.0 (0.0%)
Foreign exchange gains/losses	(2.0) (3.5%)	1.2 (1.9%)	1.7 (1.9%)	0.3 (0.7%)	2.9 (5.6%)
<b>Profit or loss before taxes</b>	<b>6.2</b> (11.0%)	<b>7.9</b> (12.9%)	<b>20.8</b> (23.3%)	<b>13.6</b> (33.6%)	<b>8.1</b> (15.6%)
Income tax	(0.9) (1.7%)	(1.8) (3.0%)	(1.2) (1.3%)	(0.5) (1.2%)	(1.1) (2.1%)
<b>Net profit for the year/period</b>	<b>5.2</b> (9.4%)	<b>6.1</b> (9.9%)	<b>19.6</b> (22.0%)	<b>7.0</b> (17.4%)	<b>13.0</b> (25.0%)
Other comprehensive income	(1.8) (3.1%)	1.2 (1.9%)	0.2 (0.2%)	(0.7) (1.7%)	2.6 (5.0%)
<b>Total comprehensive income for the year/period</b>	<b>3.5</b> (6.2%)	<b>7.2</b> (11.8%)	<b>19.8</b> (22.2%)	<b>12.3</b> (30.6%)	<b>9.5</b> (18.3%)

# Consolidated Balance Sheet



in EURm	2020	2021	2022	Q2/23
<b>Assets</b>				
Cash and bank accounts	19.5	46.3	65.6	75.8
Loans to customers	79.2	105.4	193.9	208.0
Prepayments	1.3	0.6	1.9	2.1
Other assets	2.7	3.1	4.3	4.9
Other financial investments	7.2	2.8	38.6	39.0
Property, plant and equipment	1.0	1.1	7.0	6.8
Right-of-use assets	2.1	1.6	2.1	2.0
Intangible assets	3.7	5.9	8.9	9.8
<b>Total assets</b>	<b>116.6</b>	<b>166.8</b>	<b>322.3</b>	<b>348.5</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Loans and borrowings	91.4	133.9	251.2	268.0
Other liabilities	3.7	7.3	15.0	15.0
<b>Total liabilities</b>	<b>95.1</b>	<b>141.2</b>	<b>266.2</b>	<b>283.0</b>
<b>Equity</b>				
Minority share	-	0	4.5	4.6
Share capital	10.0	10.0	10.0	10.0
Legal reserve	0.5	0.8	1.0	1.0
Revaluation reserve	-	0	0.8	0.7
Unrealized foreign exchange differences	(1.7)	(0.5)	(0.4)	2.2
Retained earnings	12.6	15.3	40.2	47.1
<b>Total equity</b>	<b>21.5</b>	<b>25.6</b>	<b>56.1</b>	<b>65.6</b>
<b>Total equity and liabilities</b>	<b>116.6</b>	<b>166.8</b>	<b>322.3</b>	<b>348.5</b>

# Consolidated Statement of Cash Flow



in EURm	2020	2021	2022	6M22	6M23
<b>Operating activities</b>					
Prepayments to partners for issuance of loans	(11.4)	(26.0)	(27.7)	(14.7)	(5.1)
Received pre- and overpayments from customers	36.2	33.4	47.9	22.9	0.8
Paid trade payables	(12.3)	(18.2)	(24.9)	(11.3)	(12.6)
Received debts from buyers and received other claims	0.9	2.4	2.7	0.9	0.3
Received from collection companies	22.6	27.8	31.3	15.5	19.9
Paid net salaries	(5.3)	(6.7)	(11.9)	(5.2)	(7.6)
Paid tax liabilities, exc. CIT	(3.0)	(4.9)	(6.2)	(3.0)	(4.3)
Corporate income tax paid (CIT)	(1.9)	(1.4)	(2.8)	(1.6)	(0.8)
Paid out to customers	(47.4)	(67.6)	(218.5)	(110.0)	(122.7)
Change in MasterCard (MC) settlement account	(8.2)	(17.2)	(14.8)	(6.1)	(7.7)
Principal repayments from customers	29.4	41.6	138.3	73.5	119.0
Loan principal repayments from customers related to MC	4.5	12.6	21.5	9.8	0.0
Interest, commission and other fees	15.0	21.1	44.6	18.5	23.5
<b>Net cash flows from operating activities</b>	<b>18.9</b>	<b>(3.1)</b>	<b>(20.5)</b>	<b>(10.7)</b>	<b>2.8</b>
<b>Investing activities</b>					
Purchase of fixed assets	0.5	(1.9)	(6.2)	(2.7)	(2.2)
Net cash flow from acquisition of subsidiaries	-	-	41.9	44.8	-
Payments for other financial investments	(7.3)	(0.0)	(17.7)	(22.3)	(23.3)
Receipts from other financial investments	6.5	5.9	17.9	17.2	26.5
<b>Net cash flows from investing activities</b>	<b>(0.3)</b>	<b>4.0</b>	<b>35.8</b>	<b>37.0</b>	<b>1.0</b>

in EURm	2020	2021	2022	6M22	6M23
<b>Financing activities</b>					
Loans received from investors	51.4	113.2	34.9	8.0	28.5
Repaid loans to investors	(42.3)	(74.3)	(11.3)	(4.9)	(11.2)
Change in overdraft	(5.2)	-	-	-	-
Principal payments of lease contracts	(0.9)	(1.0)	(1.2)	(0.6)	(0.8)
Paid interests	(8.0)	(8.9)	(18.4)	(8.6)	(11.6)
Paid dividends	(0.5)	(3.1)	0.0	0.0	0.0
Receipts from other financing activities	0.0	0.0	0.0	0.0	0.0
<b>Net cash flows from financing activities</b>	<b>(5.4)</b>	<b>(25.8)</b>	<b>3.9</b>	<b>(6.1)</b>	<b>4.9</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6.7</b>	<b>19.5</b>	<b>46.3</b>	<b>46.3</b>	<b>65.6</b>
Change in cash and cash equivalents	13.2	26.7	19.3	20.3	8.7
Net foreign exchange difference	(0.5)	0.1	0.1	(0.3)	1.5
<b>Cash and cash equivalents at the end of the period</b>	<b>19.5</b>	<b>46.3</b>	<b>65.6</b>	<b>66.3</b>	<b>75.8</b>

# IuteCredit Income Statement



in EURm	2020	2021	2022	6M22	6M23
Interest and commission fee income	44.5 (79.4%)	48.3 (79.0%)	60.5 (83.4%)	27.5 (82.1%)	36.8 (86.4%)
Loan administration fees and penalties	8.4 (15.0%)	8.2 (13.4%)	7.3 (10.0%)	4.0 (11.9%)	3.2 (7.5%)
Other income	3.1 (5.6%)	4.7 (7.6%)	4.7 (6.5%)	2.0 (6.0%)	2.6 (6.1%)
<b>Total Income</b>	<b>56.0</b> <b>(100.0%)</b>	<b>61.2</b> <b>(100.0%)</b>	<b>72.5</b> <b>(100.0%)</b>	<b>33.5</b> <b>(100%)</b>	<b>42.6</b> <b>(100%)</b>
Interest expense	(11.0) (19.6%)	(14.4) (23.5%)	(18.3) (25.3%)	(8.6) (25.7%)	(11.5) (27.0%)
Allowances for loan impairment	(18.8) (33.5%)	(16.3) (26.7%)	(18.3) (25.3%)	(8.2) (24.5%)	(12.0) (25.5%)
<b>Net operating income</b>	<b>26.3</b> <b>(46.9%)</b>	<b>30.5</b> <b>(49.9%)</b>	<b>35.9</b> <b>(49.5%)</b>	<b>16.6</b> <b>(49.6%)</b>	<b>19.2</b> <b>(38.0%)</b>
Salaries and other personnel expenses	(8.1) (14.4%)	(8.9) (14.6%)	(11.9) (16.4%)	(5.4) (16.1%)	(6.9) (16.2%)
Other operating expenses	(8.3) (14.8%)	(13.1) (21.4%)	(17.2) (23.8%)	(7.3) (21.8%)	(8.8) (20.7%)
Depreciation/amortization charge	(1.7) (3.1%)	(2.6) (4.3%)	(3.5) (4.8%)	(1.9) (5.7%)	(1.4) (3.3%)
Net income from subsidiaries using equity method	-	-	10.0 (13.8%)	9.6 (28.7%)	0.0
Net gains/losses from financial assets measured at fair value	-	0.8 (1.4%)	0.0 (0.0%)	0.0 (0.0%)	0.0 (0.0%)
Foreign exchange gains/losses	(2.0) (3.5%)	1.2 (1.9%)	1.27 (2.3%)	0.3 (0.9%)	3.0 (7.0%)
<b>Profit or loss before taxes</b>	<b>6.2</b> <b>(11.0%)</b>	<b>7.9</b> <b>(12.9%)</b>	<b>14.9</b> <b>(20.5%)</b>	<b>12.0</b> <b>(35.8%)</b>	<b>5.1</b> <b>(12.0%)</b>
Income tax	(0.9) (1.7%)	(1.8) (3.0%)	(0.6) (0.8%)	(0.4) (1.2%)	(0.9) (2.1%)
<b>Net profit for the year/period</b>	<b>5.2</b> <b>(9.4%)</b>	<b>6.1</b> <b>(9.9%)</b>	<b>14.3</b> <b>(19.7%)</b>	<b>11.6</b> <b>(34.6%)</b>	<b>4.2</b> <b>(9.9%)</b>
Other comprehensive income	(1.8) (3.1%)	0.5 (0.8%)	0.9 (1.3%)	0.1 (0.3%)	2.3 (5.4%)
<b>Total comprehensive income for the year/period</b>	<b>3.5</b> <b>(6.2%)</b>	<b>6.6</b> <b>(10.7%)</b>	<b>15.2</b> <b>(21.0%)</b>	<b>11.7</b> <b>(34.9%)</b>	<b>6.5</b> <b>(15.3%)</b>



# IuteCredit Balance Sheet



in EURm	2020	2021	2022	Q2/23
<b>Assets</b>				
Cash and bank accounts	19.5	46.3	15.8	31.2
Loans to customers	79.2	105.4	145.4	155.0
Prepayments	1.3	0.6	1.6	1.5
Other assets	2.7	3.1	3.9	3.7
Other financial investments	7.2	2.8	35.1	36.6
Property, plant and equipment	1.0	1.1	1.2	1.1
Right-of-use assets	2.1	1.6	1.9	1.8
Intangible assets	3.7	6.0	8.3	9.3
<b>Total assets</b>	<b>116.6</b>	<b>166.8</b>	<b>213.1</b>	<b>240.0</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Loans and borrowings	91.4	133.9	161.4	180.5
Other liabilities	3.7	7.2	11.9	11.8
<b>Total liabilities</b>	<b>95.1</b>	<b>141.1</b>	<b>173.3</b>	<b>192.3</b>
<b>Equity</b>				
Share capital	10.0	10.0	10.0	10.0
Legal reserve	0.5	0.8	1.0	1.0
Unrealized foreign exchange differences	(1.7)	(0.5)	0.4	2.7
Retained earnings	12.6	15.3	29.4	34.0
<b>Total equity</b>	<b>21.5</b>	<b>23.7</b>	<b>40.8</b>	<b>47.7</b>
<b>Total equity and liabilities</b>	<b>116.6</b>	<b>166.8</b>	<b>213.1</b>	<b>240.0</b>

# Energbank Income Statement



<b>in EURm</b>	<b>6M22</b>	<b>6M23</b>
Interest and commission fee income	8.9 <i>(104.7%)</i>	9.2 <i>(100%)</i>
Loan administration fees and penalties	0.0 <i>(0.0%)</i>	0.0 <i>(0.0%)</i>
Other income	(0.4) <i>(4.5%)</i>	(0.1) <i>(1.1%)</i>
<b>Total Income</b>	<b>8.5</b> <b><i>(100%)</i></b>	<b>9.2</b> <b><i>(100%)</i></b>
Interest expense	(0.8) <i>(10.6%)</i>	(1.6) <i>(17.4%)</i>
Allowances for loan impairment	(0.9) <i>(10.6%)</i>	(0.1) <i>(1.1%)</i>
<b>Net operating income</b>	<b>6.7</b> <b><i>(78.8%)</i></b>	<b>7.5</b> <b><i>(81.5%)</i></b>
Salaries and other personnel expenses	(2.8) <i>(33.0%)</i>	(3.9) <i>(42.4%)</i>
Other operating expenses	(1.7) <i>(20.0%)</i>	(0.9) <i>(9.8%)</i>
Depreciation/amortization charge	(0.3) <i>(3.5%)</i>	(0.4) <i>(4.3%)</i>
<b>Share of profit from an associate company</b>		
Foreign exchange gains/losses	0.0 <i>(0.0%)</i>	(0.1) <i>(1.1%)</i>
<b>Profit or loss before taxes</b>	<b>1.8</b> <b><i>(21.2%)</i></b>	<b>2.2</b> <b><i>(23.2%)</i></b>
Income tax	(0.2) <i>(2.4%)</i>	(0.2) <i>(2.2%)</i>
<b>Net profit for the year/period</b>	<b>1.7</b> <b><i>(20.0%)</i></b>	<b>2.0</b> <b><i>(21.7%)</i></b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year/period</b>	<b>-</b>	<b>-</b>

# Energbank Balance Sheet



in EURm	2021	2022	Q2/23
<b>Assets</b>			
Cash and bank accounts	48.8	48.8	44.6
Loans to customers	46.9	48.5	52.8
Prepayments	0.1	0.3	0.7
Other assets	1.1	0.6	1.3
Other financial investments	44.0	34.8	34.1
Property, plant and equipment	6.0	5.8	5.7
Right-of-use assets	0.4	0.2	0.6
Intangible assets	0.4	0.6	0.6
<b>Total assets</b>	<b>147.7</b>	<b>139.6</b>	<b>140.3</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Loans and borrowings	112.3	89.8	87.5
Other liabilities	1.3	3.0	3.2
<b>Total liabilities</b>	<b>113.6</b>	<b>92.8</b>	<b>90.7</b>
<b>Equity</b>			
Share capital	5.0	5.0	5.0
Own shares	(2.5)	0	0
Share premium	0	5.8	6.0
Legal reserve	0.5	0.5	0.5
Revaluation reserve	0.8	0.8	0.7
Unrealized foreign exchange differences	(0.3)	(0.3)	0
Other reserves	5.1	2.2	2.2
Retained earnings	25.4	32.8	35.3
<b>Total equity</b>	<b>34.1</b>	<b>46.8</b>	<b>49.6</b>
<b>Total equity and liabilities</b>	<b>147.7</b>	<b>139.6</b>	<b>140.3</b>