

IUTECREDIT FINANCE S.À R.L.

Annual report for the year ended 31 December 2025

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Registry
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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 2025 – 31 December 2025
Share capital:	EUR 12 thousand

Management report for the financial year 2025

In accordance with our duties as Board of Managers of luteCredit 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 2025 (hereinafter, "2025").

Executive overview

luteCredit Finance S.à r.l. (hereinafter "the Company") started its business activity in May 2019. The financial year 2025 was the sixth full year of operations for the Company. The Company's main business activity is acting as a financing intermediary for its parent company – lute Group AS which is registered and located in the Republic of Estonia. The Company is included in the consolidated financial statements of lute Group AS which can be found on the official website of lute Group AS www.iute.com.

lute 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 2025, lute Group AS had thirteen subsidiaries:

1. ICS OMF luteCredit SRL (**ICM**) in Moldova,
2. luteCredit Albania SHA (**ICA**) in Albania,
3. luteCredit Macedonia DOOEL-Skopje (**ICMK**) in North Macedonia,
4. lutePay Bulgaria EOOD (**IPBG**) in Bulgaria,
5. luteCredit Bulgaria EOOD (**ICBG**) in Bulgaria,
6. MKD luteCredit BH d.o.o. Sarajevo (**ICBH**) in Bosnia and Herzegovina,
7. luteCredit Finance S.a.r.l. (**ICF**) in Luxembourg,
8. lutePay Sh.P.K. (**IPA**) in Albania,
9. BC Energbank S.A (**EB**) in Moldova,
10. luteCredit Romania IFNSA (**ICRO**) in Romania,
11. lute Safe AD Skopje (**ISMK**) in North Macedonia,
12. lutePay Macedonia DOOEL-Skopje (**IPMK**) in North Macedonia and
13. lute Affinity OÜ (**IAF**) in Estonia.

In the period from April 2025 till May 2025, the Company carried out a conditional exchange and cash tender offer for its existing senior secured bonds 2021/2026 (ISIN: XS2378483494). The offer was conditional upon, among other factors, reaching a minimum exchange and/or tender threshold of EUR 75 000 thousand of the outstanding senior secured bonds 2021/2026 (ISIN: XS2378483494). The objective of the offer was to refinance the existing senior secured bonds 2021/2026 (ISIN: XS2378483494) and issue new senior secured bonds 2025/2030 (ISIN: XS3047514446) in a minimum amount of EUR 125 000 thousand.

The terms of the conditional exchange and cash tender offer were:

- The exchange and cash tender offer is conditional, including but not limited to the requirement that a minimum of EUR 75 000 thousand 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 on 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 on 15 June 2025.

As a result of the conditional offer, the minimum acceptance threshold of EUR 75 000 thousand was comfortably exceeded. Investors who held 520 248 bonds in the total amount of EUR 52 025 thousand, expressed their interest in the conditional exchange offer and investors, who held 256 778 bonds in the amount of total EUR 25 678 thousand, expressed their interest in the conditional cash tender offer.

Following the conditional offer, the Company carried out, during May 2025, the public offer for new senior secured bond 2025/2030 (ISIN: XS3047514446) in total volume up to EUR 175 000 thousand.

As a result of the public offer, the Company issued 1 400 000 new senior secured bonds 2025/2030 (ISIN: XS3047514446) in total of EUR 140 000 thousand. The new senior secured bonds 2025/2030 (ISIN: XS3047514446) carry a fixed coupon rate of 12% and are with 5- and - a - half year maturity until 6 December 2030. Interest is paid semi-annually during the first 48 months (on 6 June and 6 December) and quarterly thereafter (on 6 March, 6 June, 6 September and 6 December). The new senior secured bonds (ISIN: XS3047514446) are listed on the Frankfurt Stock exchange and on the Regulated Market of the Nasdaq Tallinn Stock Exchange from 9 June 2025. The obligations of the issuer are guaranteed and pledged on a senior secured basis by lute Group AS, the holding company of the group, and its subsidiaries taking into consideration all present and future receivables and bank accounts.

In December 2025, the Company additionally issued 200 000 new senior secured bonds (ISIN: XS3047514446) in the amount total EUR 20 000 thousand and increased by that the circulating volume of existing bonds (ISIN: XS3047514446) from EUR 140 000 thousand to EUR 160 000 thousand. The additional bonds were included in the existing listings on the Regulated Market of the Frankfurt Stock Exchange (General Standard) and on the Baltic Regulated Market of the Nasdaq Tallinn Stock Exchange.

In July 2025, Fitch Ratings (Fitch) affirmed a B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and a B-Senior Secured Debt Rating for senior secured bonds 2021/2026 (ISIN: XS2378483494) and 2025/2030 (ISIN: XS3047514446) issued by the Company.

Financial review

Statement of profit and loss and other comprehensive income

The Company recorded a net profit of EUR 29 thousand for the reporting year ended 31 December 2025. Operating revenues amounted to EUR 18 282 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 18 145 thousand (including additional expected credit loss recognized in the amount of EUR 1 112 thousand).

Operating expenses amounted to EUR 133 thousand which were related to legal and consultation services purchased in 2025.

Statement of financial position

Total assets on 31 December 2025 amounted to EUR 188 479 thousand and liabilities amounted to EUR 188 200 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 2025 the liquidity ratio of the Company was 1.61.

The equity of the Company is in the amount of EUR 279 thousand as at 31 December 2025.

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, lute 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 2026 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 2025.

Acquisition of own shares

No acquisition of own shares has occurred in the financial year ended 31 December 2025.

Free shares

As at 31 December 2025, the Company has not granted any free shares to members of the Management of the Company. The Company is fully owned by lute 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 20 November 2025, KPMG Audit S.à r.l. was appointed as the Company's auditor for financial year 2025.

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%.

Subsequent events

On 28 February 2026, United States and Israel launched large-scale coordinated strikes on Iran which resulted in the start of a war with Iran. The war will have an impact on businesses and economies, including in the European Union. However, as of today, the war has had no real impact on the Company's business operations. The possible impact of the war on the Company's business operations will be considered in the 2026 financial statements. No significant effects on the Company's operations are expected.

No other subsequent events have occurred which would cause corrections in the reported financial

information, or which should be additionally disclosed as a 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 2025 EUR 29 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 2025.

Luxembourg, 2 April 2026



Kristel Kurvits
Manager

Luxembourg, 2 April 2026

Signed by:

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Ann Leonie Lauwers
Manager

Financial statements

Statement of Profit and Loss and Other Comprehensive Income

in thousand EUR	Notes	2025	2024
Interest income	7	18 282	18 367
Interest expense	8	-17 033	-16 483
Net interest income		1 249	1 884
Other income		25	2
Total other income		25	2
Legal services, notary and bank fees	9	-133	-102
Allowances for loan impairment	11	-1112	-1677
Total operating expenses		-1 245	-1 779
Profit (-loss) before tax		29	107
Income tax expense*		0	3
Profit (-loss) for the reporting period		29	110
Other comprehensive income		0	0

* In financial year 2025, the Company's corporate income tax expense amounted to EUR 0 (2024: EUR 23) thousand and the Company received tax return in the amount of total EUR 0 (2024: EUR 26) thousand.

Notes on pages 13-32 are an integral part of the financial statements.

Statement of Financial Position

in thousand EUR	Notes	31.12.2025	31.12.2024
Assets			
<i>Non-current assets</i>			
Loan receivables	11	109 857	107 749
<i>Total non-current assets</i>		<i>109 857</i>	<i>107 749</i>
<i>Current assets</i>			
Loan receivables	11	49 332	0
Accrued interest from loan receivable	11	27 759	16 150
Cash and cash equivalents	10	1 531	19
<i>Total current assets</i>		<i>78 622</i>	<i>16 169</i>
Total assets		188 479	123 917
Equity and liabilities			
<i>Equity</i>			
Share capital	13	12	12
Reserves		1	1
Accumulated profit (-loss)		266	237
<i>Total equity</i>		<i>279</i>	<i>250</i>
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	12	139 307	120 384
<i>Total non-current liabilities</i>		<i>139 307</i>	<i>120 384</i>
<i>Current liabilities</i>			
Interest bearing loans and borrowings	12	46 285	0
Accrued interest on interest bearing loans and borrowings	12	2 608	3 278
Trade payables		0	6
<i>Total current liabilities</i>		<i>48 893</i>	<i>3 283</i>
<i>Total liabilities</i>		<i>188 200</i>	<i>123 667</i>
Total equity and liabilities		188 479	123 917

Notes on pages 13-32 are an integral part of the financial statements.

Statement of Changes in Equity

in thousand EUR	Share capital	Legal reserve	Retained earnings	Total
01.01.2024	12	1	127	139
Profit for the reporting period	0	0	110	110
Other comprehensive income	0	0	0	0
31.12.2024	12	1	237	250
01.01.2025	12	1	237	250
Profit for the reporting period	0	0	29	29
Other comprehensive income	0	0	0	0
31.12.2025	12	1	266	279

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

Notes on pages 13-32 are an integral part of the financial statements.

Statement of Cash Flows

in thousand EUR	Notes	2025	2024
Paid trade payables		-3 794	-384
Received other claims		0	27
Corporate income tax paid		0	-24
Loan given to parent entity	11	-62 185	-7 696
Loan repaid by parent entity	11	3 847	3 380
Interest received		6 951	10 299
Net cash flows from operating activities		-55 181	5 602
Proceeds from issuance of bonds	12	101 501	10 450
Payments for repurchases of bonds	12	-25 446	-2 313
Interest paid	12	-19 362	-13 750
Net cash flows from financing activities		56 693	-5 613
Change in cash and cash equivalents		1 512	-9
Cash and cash equivalents at the beginning of the period		19	28
Change in cash and cash equivalents		1 512	-9
Cash and cash equivalents at the end of the period	10	1 531	19

Notes on pages 13-32 are an integral part of the financial statements.

Notes to the financial statements

1 Corporate information

The accompanying financial statements of luteCredit Finance S.à r.l. (the Company) for the period from 1 January to 31 December 2025 were authorized for issue in accordance with a resolution of the Board of Managers on 2 April 2026.

luteCredit 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 lute 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%.

As at 31 December 2024, the Company had issued EUR 125 000 thousand of senior secured bonds 2021/2026 (ISIN: XS2378483494) on the 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 lute Group AS, the holding company of the group, and its subsidiaries taking into consideration all present and future receivables and bank accounts.

In 2025, the Company additionally issued EUR 160 000 thousand of senior secured bonds 2025/2030 (ISIN: XS3047514446) at Frankfurt Stock exchange and on the Regulated Market of the Nasdaq Tallinn Stock Exchange. The senior secured bonds carry a fixed coupon rate of 12% and are with 5- and a - half year maturity until 6 December 2030. Interest is payable semi-annually during the first 48 months (on 6 June and 6 December) and quarterly thereafter (on 6 March, 6 June, 6 September and 6 December). The obligations of the issuer are guaranteed and pledged on a senior secured basis by lute Group AS, the holding company of the group, 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 2025. 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.

Amendments to IAS 21 - Lack of Exchangeability

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 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 2025 and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when they become effective.

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.

Annual improvements to IFRS Accounting Standards - Volume 11

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

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

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)

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

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

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 issued by the International Accounting Standards Board ("IASB") and adopted by the European Union (hereinafter referred to as "IFRS Accounting Standards" or "IFRS"). 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 2025, 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 as of the date of the preparation of these financial statements. 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 the 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 2025, the maximum credit risk arising from all receivables is in the amount of EUR 186 948 (31 December 2024: EUR 123 898) thousand.

The aging structure of receivables is as follows:

in thousand EUR	31.12.2025	31.12.2024
Not due	186 948	123 898
<i>including accrued interest from loan receivables</i>	<i>27 759</i>	<i>16 149</i>
<i>including loan receivables</i>	<i>159 189</i>	<i>107 749</i>
TOTAL	186 948	123 898

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 2025 in the amount of EUR 3 287 (31 December 2024: EUR 2 176) 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	31.12.2025	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
Eurobonds *	305 892	70 460	235 432	EUR	11% and 12%
TOTAL	305 892	70 460	235 432		

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

*Including undiscounted principal outstanding as at 31 December 2025 of EUR 207 297 (31 December 2024: EUR 125 000) thousand and estimated total undiscounted future interest payments as at 31 December 2025 of EUR 98 595 (31 December 2024: EUR 34 695) thousand.

The maturity of undiscounted receivables is as follows:

in thousand EUR	31.12.2025	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
Loans and interest receivable **	231 560	69 444	162 116	EUR	11% and 12%
TOTAL	231 560	69 444	162 116		

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

** Including undiscounted principal outstanding as at 31 December 2025 of EUR 162 233 (31 December 2024: EUR 109 475) thousand and estimated total undiscounted future interest payments as at 31 December 2025 EUR 69 327 (31 December 2024: EUR 37 199) 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 lute group. The financial covenants are measured on lute group level which comprises of the parent company lute Group AS and its subsidiaries, in addition to the Company, ICS OMF luteCredit SRL, luteCredit Albania SHA, luteCredit Macedonia DOOEL-Skopje, lutePay Bulgaria EOOD, luteCredit Bulgaria EOOD, MKD luteCredit BH d.o.o. Sarajevo, lutePay Albania SH.P.K, BC Energbank S.A., luteCredit Romania IFNSA, lute Safe AD Skopje, lutePay Macedonia DOOEL-Skopje and lute Affinity OÜ.

The financial covenants are:

	Bond with maturity 6 October 2026	Bond with maturity 6 December 2030
Capitalization ratio is not less than	15%	15%
Interest coverage ratio is not less than	1,5	1,25

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

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

The ratios for covenants were following:

	31.12.2025	31.12.2024
Capitalization		
Equity/Net finance loans and advances to customers	22,5%	25,0%
	2025	2024
Profitability		
Interest coverage ratio (ICR): adjusted EBITDA/interest expenses	1,5	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 2025 and 2024.

*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	2025	2024
Interest on loans	18 282	18 367
TOTAL	18 282	18 367

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

8 Interest expense

in thousand EUR	2025	2024
Interest on bonds	-17 033	-16 483
TOTAL	-17 033	-16 483

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.

9 Other operating expenses

in thousand EUR	2025	2024
Legal service, notary and bank fees	-133	-102
TOTAL	-133	-102

In 2025, legal service fees include legal annual audit fees (excluding VAT and Administrative Charges) in the amount of EUR 49 (2024: EUR 32) thousand.

10 Cash and cash equivalents

in thousand EUR	31.12.2025	31.12.2024
Bank accounts	1 531	19
TOTAL	1 531	19

11 Loan receivables

in thousand EUR	31.12.2025	31.12.2024
Loan receivables	159 189	107 749
Accrued interest from loan receivables	27 759	16 150
TOTAL	186 948	123 897

As at 31 December 2024, the Company had 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 11,25%. The interest is payable semi-annually on 6 April and 6 October of each year. The loan repayment date is the loan maturity date.

In June 2025, the Company conducted a new loan agreement with the parent company, Iute Group AS, with a maximum credit limit of EUR 141 000 thousand. The loan maturity is 1 December 2030 and the loan carries an interest rate of 12%. The interest is paid semi-annually on 6 June and 6 December during the first 48 months and quarterly on 6 September, 6 December, 6 June, 6 March of each year until the maturity of the loan. The loan repayment date is the loan maturity date.

The loan is recorded at amortized cost by using an effective interest rate of 11.51%.

The movement of loan receivables is as follows:

in thousand EUR	
Loan at amortized cost 31.12.2024	107 749
Loan given*	60 424
Loan repaid**	-8 078
Expected credit loss recognized	-907
Loan at amortized cost 31.12.2025	159 188

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

*The amount representing the loan given includes also the impact from the change in EIR balance. In 2025, the impact amounted to EUR 1 586 thousand as a decrease of loan receivable (2024: EUR 1 616 thousand as a decrease 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 2025, the Company has settled with the parent company loan receivables in the amount of EUR 4 231 (2024: EUR 246) 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	31.12.2025	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
Loan receivables	159 189	49 332	109 857	EUR	11% and 12%
Accrued interest from loan receivables	27 759	27 759	0	EUR	
TOTAL	186 948	77 091	109 857		

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		

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 on next page.

in thousand EUR	31.12.2025	31.12.2024
Loan receivables	161 987	109 641
Expected credit loss	-2 799	-1 892
Expected loss rate	1,73%	1,73%
Interest receivables	28 248	16 433
Expected credit loss	-488	-284
Expected loss rate	1,73%	1,73%

Changes in allowances for receivables are as follows:

in thousand EUR	Loan receivables		Interest receivables	
	2025	2024	2025	2024
Opening balance as at 1 January	- 1 892	-463	-284	-36
Changes incurred in 1 January to 31 December				
Recognition of expected credit loss	-907	-1 429	-204	-248
Reversal of expected credit loss recognized	0	0	0	0
Closing balance as at 31 December	-2 799	-1 892	-488	-284

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

12 Financial liabilities

in thousand EUR	31.12.2025	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
Eurobonds (excl. accrued interest)	185 592	46 285	139 307	EUR	11% and 12%
Accrued interest from bonds	2 608	2 608	0	EUR	
TOTAL	188 200	48 893	139 307		

in thousand EUR	31.12.2024	Maturity		Currency	Interest
		Up to 1 year	1 to 5 years		
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		

As at 31 December 2024, the Company had issued EUR 125 000 thousand of senior secured bonds 2021/2026 (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 lute Group AS, the holding company of the group, and its subsidiaries taking into consideration all present and future receivables and bank accounts.

In 2025, the Company additionally issued EUR 160 000 thousand of senior secured bonds 2025/2030 (ISIN: XS3047514446) on the Frankfurt Stock exchange and on the Regulated Market of the Nasdaq Tallinn Stock Exchange. The senior secured bonds carry a fixed coupon rate of 12% and are with 5- and – a - half year maturity until 6 December 2030. Interest is payable semi-annually during the first 48 months (on 6 June and 6 December) and quarterly thereafter (on 6 March, 6 June, 6 September and 6 December). The obligations of the issuer are guaranteed and pledged on a senior secured basis by lute Group AS, the holding company of the group, and its subsidiaries taking into consideration all present and future receivables and bank accounts.

As at 31 December 2025, the Company holds bonds in the nominal value of EUR 11 722 (31 December 2024: EUR 2 741) thousand. The bonds hold on hand are shown in the statement of financial position in offset amount. In financial year 2025, the company has sold bonds held on hand in the amount of EUR 2 161 (2024: EUR 8 137)

thousand. In financial year 2025, the company has redeemed bonds in the amount of EUR 38 981 (2024: EUR 13 883) thousand.

The following changes in financial liabilities per bonds have occurred:

in thousand EUR	Bond with maturity 6 October 2026	Bond with maturity 6 December 2030	Total
Bonds in nominal value 31.12.2024	125 000	0	125 000
Bonds held on hand in nominal value 31.12.2024	-2 741	0	-2 741
Bonds exchanged*	-52 025	52 025	0
Bonds issued*	2 161	107 975	110 136
Bonds redeemed*	-27 839	-11 142	-38 981
Bonds in nominal value 31.12.2025	47 297	160 000	207 297
Bonds held on hand in nominal value 31.12.2025	-580	-11 142	-11 722
Bonds acquisition cost 31.12.2024	-1 875	0	-1 875
Change in bonds acquisition cost	1 443	-9 551	-8 108
Bonds acquisition costs 31.12.2025	-432	-9 551	-9 983
TOTAL 31.12.2024	120 384	0	120 384
TOTAL 31.12.2025	46 285	139 307	185 592

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 cost 31.12.2023	-2 580
Change in bonds acquisition cost	705
Bonds acquisition costs 31.12.2024	-1 875
TOTAL 31.12.2023	111 542
TOTAL 31.12.2024	120 384

*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 01.01.2025	123 662
Changes from financing cash flows	
Proceeds from issuance of bonds	101 501
Payment for repurchase of bonds	-25 446
Total changes from financing cash flows	76 055
Other changes	
Liability-related	
Change in bonds acquisition costs	-8 108
Interest expenses	18 692
Interest paid	-19 362
Other changes*	-2 740
Total liability-related other changes	-11 517
Balance 31.12.2025	188 200
Balance 01.01.2024	114 820
Changes from financing cash flows	
Proceeds from issuance of bonds	10 450
Payments for repurchases 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

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

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

13 Shareholder's equity

	31.12.2025	31.12.2024
Share capital	EUR	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 2025 and 2024.

Legal reserve	EUR
Legal reserve as at 01.01.2024	1 200
Legal reserve as at 31.12.2024	1 200
Legal reserve as at 31.12.2025	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 2025, the fair value of the bond from investors amounted to EUR 185 592 (31 December 2024: EUR 120 384) thousand, excluding interest in the amount of EUR 2 608 (31 December 2024: EUR 3 278) thousand. Loan claim amounted to EUR 159 188 (31 December 2024: EUR 107 749) thousand, excluding interest in the amount of EUR 27 759 (31 December 2024: EUR 16 149) 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:

	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets for which fair values are disclosed					
Loans and interest receivables	2025	0	0	190 235	190 235
Liabilities for which fair values are disclosed					
Bonds accrued interest payables	2025	0	0	188 200	188 200
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

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 luteCredit Finance S.à r.l. is lute 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 repaid**	Interest received
			loans granted		
Parent Company (lute Group AS)	2025	63 771	17 223	8 078	5 767
Parent Company (lute Group AS)	2024	11 183	15 797	3 626	9 642

in thousand EUR		Loans and borrowings received	Calculated interest on	Loans repaid	Interest paid
			loan and borrowings		
Parent Company (lute Group AS) Shareholders and related companies to them	2025	0	0	4 482	0
	2025	660	402	0	487
Parent Company (lute Group AS) Shareholders and related companies to them	2024	0	511	0	627
	2024	0	360	0	360

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 (lute Group AS) Shareholders and related companies to them	2025	157 965	27 759
	2025	0	0	3 848	50
Parent Company (lute Group AS) Shareholders and related companies to them	2024	107 749	16 149	4 482	116
	2024	0	0	3 357	84

*The movement includes monetary movements in amount of total EUR 62 185 (2024: EUR 7 696) thousand and non-monetary movements in amount of total EUR 1 586 (2024: 3 487) thousand.

** The movement includes monetary movements in amount of total EUR 3 846 (2024: EUR 3 380) thousand and non-monetary movements in amount of total EUR 4 232 (2024: 246) thousand.

During the financial year 2025 and in the financial year 2024 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 agreements, the bonds are guaranteed and pledged on a senior secured basis by lute 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 and 6 December 2030.

Contingent liabilities

With respect to issued bonds in the amount of total EUR 207 294 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 lute group level which comprises of the parent company lute Group AS and its subsidiaries, in addition to the Company, ICS OMF luteCredit SRL, luteCredit Albania SHA, luteCredit Macedonia DOOEL-Skopje, lutePay Bulgaria EOOD, luteCredit Bulgaria EOOD, MKD luteCredit BH d.o.o. Sarajevo, lutePay SH.P.K, BC Energbank S.A, luteCredit Romania IFNSA, lute Safe AD Skopje, lutePay Macedonia DOOEL-Skopje and lute Affinity OÜ.

As of the balance sheet date, 31 December 2025, 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	01.01.2025-31.12.2025	01.01.2024-31.12.2024
Interest income	18 282	18 367
Interest expense	-17 033	-16 483
Other income	0	2
Legal services, notary and bank fees	-133	-102
Allowances for loan impairment	-1 112	-1 677
Reportable segment profit (-loss) before tax	29	110
Reportable segment profit (-loss) for the reporting year	29	107

Breakdown of assets and liabilities in thousand EUR	31.12.2025	31.12.2024
Reportable segment assets		
Loan receivables	159 189	107 749
Accrued interest from loan receivable	27 759	16 149
Cash and cash equivalents	1 531	19
Total reporting segment assets	188 479	123 917
Reportable segment liabilities		
Interest bearing loans and borrowings	185 592	120 384
Accrued interest on interest bearing loans and borrowings	2 608	3 278
Trade payables	0	6
Total reporting segment liabilities	188 200	123 667

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 Subsequent events

On 28 February 2026, United States and Israel launched large-scale coordinated strikes on Iran which resulted in the start of a war with Iran. The war will have an impact on businesses and economies, including in the European Union. However, as of today, the war has had no real impact on the Company's business operations. The possible impact of the war on the Company's business operations will be considered in the 2026 financial statements. No significant effects on the Company's operations are expected.

No other subsequent events have occurred which would cause corrections in the reported financial information, or which should be additionally disclosed as a 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.

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 2025, 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.

2 April 2026

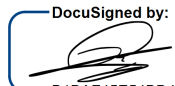


Kristel Kurvits
Member of the Board of Managers

Signed by:

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Ann Leonie Lauwers
Member of the Board of Managers

DocuSigned by:

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Pieter Adriaan van Nugteren
Member of the Board of Managers



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To the Shareholders of
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L-2453 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of luteCredit Finance S.à r.l. (the "Company"), which comprise the statement of financial position as at 31 December 2025, 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 2025, 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.

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.



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 2025:

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 2025.

The gross amounts of loans and interest receivable from the parent company as at 31 December 2025 amount to EUR 161 987 thousand and EUR 28 248 thousand respectively; total impairment allowances for loan and interest receivable amount to EUR 2 799 thousand and EUR 488 thousand, respectively, as at 31 December 2025.

Loans and interest receivable, collectively ("exposures"), represent approximately 99% of the Company's total assets as at 31 December 2025. 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 impairment allowance for loan receivables 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.
- 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 20 November 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 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 2025 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 luteCredit Finance S.à r.l. as at 31 December 2025, identified as 2221005B3DQGM41NWF57-2025-31-12-1-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 luteCredit Finance S.à r.l. as at 31 December 2025, identified as 2221005B3DQGM41NWF57-2025-31-12-1-en.xhtml, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 2 April 2026

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

A handwritten signature in blue ink, appearing to read 'Michael Jahke', written over a light blue horizontal line.

Michael Jahke
Partner