

IuteCredit reports unaudited results for 6M/2022

Continuation of profitable growth and progress in achieving strategic goals

Strategic Highlights at consolidated group level

- Total number of customers increased by 40,6% to 966 thousand (31 December 2021: 687 thousand).
- Acquisition of controlling stake in Moldovan Energbank and progress in achieving operational control with twofold potential for additional revenue streams with Wallet (payments) services and growth of loan portfolio without increased FX exposure.
- Group consolidated balance sheet up 79,2% to EUR 298,9 million and equity almost doubled to EUR 50,6 million as of 30 June 2022.
- Increasing use of the digital customer journey with Mylute app being downloaded by 313 thousand customers (31 December 2021: 181 thousand customers).
- Increased investment into New Core IT platform for management of customer experience and integrated loans and wallet service value streams.

Operational Highlights at IuteCredit business without effects of bank acquisition

- Loan payouts increased 31,1% to 97,9 million EUR (6M/2021: 74,7 million EUR).
- Number of loans signed up y-o-y 20,2% to 165.148 (6M/2021: 137.367).
- Balance sheet up 8,7% to 181,2 million EUR (31 December 2021: 166,8 million EUR).
- Gross loan portfolio up 15,0% to 138,4 million EUR (31 December 2021: 120,4 million EUR) of which principal amount of loans increased 16,3% to 123,3 million EUR (31 December 2021: 106,0 million EUR).
- Repayment discipline (Customer Performance Index, CPI30) significantly improved to an all-time high of 91,1% (6M/2021: 87,9%).
- Net loan portfolio up 15,7% to 121,9 million EUR (31 December 2021: 105,4 million EUR).
- Rollout of 68 cardless ATMs to date cuts intermediaries and reduces need for plastic cards and cuts plastic waste.

Financial Highlights at IuteCredit business without effects of bank acquisition

- Interest and commission fee income up 17,5% to 27,5 million EUR (6M/2021: 23,4 million EUR) affected by steadily increasing payouts compared to the 93,2% increase in the average net loan portfolio.
- Net interest and commission fee income up 11,1% to 18,9 million EUR (6M/2021: 17,0 million EUR) as a result of increased interest payments related to bonds issuances.
- Total income up 14,6% to 33,5 million EUR (6M/2021: 29,2 million EUR).
- Cost to income ratio at 43,5% (6M/2021: 36,0%) mainly as result of expenses related to the acquisition of Energbank, increasing business activity, and expenses for buildup of future revenue streams.
- EBITDA adjusted for FX/revaluation and income from Energbank up 10,6% to 12,5 million EUR (6M/2021: 11,3 million EUR).
- Net profit adjusted for income from Energbank at 2,0 million EUR (6M/2021: 3,0 million EUR).
- Strong capitalization and profitability– Eurobond covenants exceeded.

Statement of the Management

In the first six months of 2022, luteGroup has increased its customer pool, productive assets, revenue, and net profit, while undergoing major changes in its technological base and multinational, multi-regulatory organizational structure. The successful acquisition of the first bank into the Group, the ongoing digital onboarding of Mylute app customers, a dedicated team, and strong financial discipline have converged into 40 million EUR revenue from our customers and a six-month net profit of 13 million EUR as a result of our work.

The consolidated balance sheet, inclusive of both luteCredit and EnergBank's businesses as of the end of June remained at the 300 million EUR mark compared to the end of Q1. In contrast, the net loan portfolio grew by 10% to 171 million EUR. This means that between April and June we have placed a larger part of assets into yielding production. Both the luteCredit and EnergBank businesses were profitable stand-alone. Performing loan customers exceeded 168,000 (3M/22: 160,000) and performing wallet customers number exceeded 85,000 by the end of the reporting period (3M/22: 83,000). A net promoter score at luteCredit business of over 80 points clearly underlines the satisfaction of our customers. We look forward to also adequately assessing Energbank's customer satisfaction in the future.

The numbers above tell a story: We are making tactical progress in several directions in pursuit of the strategic objective to have one million customers by the end of 2024 by offering both loans and payment services.

The Mylute app has been downloaded by more than 300,000 people. At the same time, our customers continuously ask for more and more comfort features and financial products. To live up to our mission of creating the extraordinary experience in personal finance, we are specifically developing the backend so that these features and products run automatically or with only the customer's own input, yet in a personalized manner. In Macedonia, for example, we have so far achieved with New Core that 17% of loans are processed fully automatically and approved instantly online, based on personal assessment and personalized product parameters. luteCredit's New Core platform, which integrates individual customer profiles and many product capabilities in one seamless experience, was also successfully launched in Bulgaria. Preparations for the New Core launch in Albania and Moldova in 2022 are underway.

At the same time, we are making progress in taking operational control of Energbank. The acquisition of a 95% stake has proven to be very profitable for luteGroup. As of 30 June 2022, luteGroup's consolidated equity totaled 50 million EUR, a meaningful leap from the pre-acquisition level of 25 million EUR as of 31 December 2021. Yet, the Bank itself is already profitable before the start of its operational and digital turnaround we envisage for the period 2022-2023.

In the luteCredit business, loan portfolio and revenues continued to grow, while revenues structure diversified further. To date, 96% of revenues are from various loan-related services (loan revenues) and 4% are from payment services (wallet revenues). Here, wallet products play an increasingly important role in the evolution of the lute ecosystem for our customers and in fulfilling our mission to create the extraordinary experience in personal finance, to state it again.

I am convinced that with our team, sales network, technology pool, and capital position of the Group, we are well prepared for the fall and spring in Europe. We benefit from management's open approach to a wide range of scenarios between the extremes of market forces of boom and bust. In our current planning, things are likely to get worse before we see an improvement in the global crises.

For the full year 2022, we stick to the Group's revenue and net profit expectations. We expect consolidated revenues of at least 75 million EUR (40 million EUR achieved in H1 2022) and a net profit of at least 16 million EUR (13 million EUR achieved by H1 2022).

Tarmo Sild
CEO of luteCredit Group

Consolidated key financial figures

	30 Jun 2022	31 Dec 2021	Δ in %
Capitalization			
Gross loan portfolio (in thousand EUR)	191.360	120.365	59,0%
<i>IuteCredit Europe</i>	138.410	120.365	15,0%
Energbank	52.951	0	n/a
Net loan portfolio (in thousand EUR)	171.010	105.372	62,3%
<i>IuteCredit Europe</i>	121.878	105.372	15,7%
Energbank	49.132	0	n/a
Assets (in thousand EUR)	298.886	166.786	79,2%
Equity (in thousand EUR)	50.555	25.585	97,6%
Equity to assets ratio	16,9%	15,3%	1,6%
Capitalization ratio	29,6%	24,3%	5,3%
	6M/2022	6M/2021	Δ in %
Profitability			
Interest income	34.631	23.413	47,9%
<i>IuteCredit Europe</i>	27.509	23.413	17,5%
Energbank	7.121	0	n/a
Net interest margin	19,2%	20,3%	-1,1%
<i>IuteCredit Europe</i>	14,6%	20,3%	-5,7%
Cost to income ratio	45,0%	36,0%	9,0%
<i>IuteCredit Europe</i>	43,5%	36,0%	7,5%
Energbank	52,0%	0,0%	n/a
Post-allowances operating profit margin	13,9%	14,2%	-0,3%
<i>IuteCredit Europe</i>	12,8%	14,2%	-1,4%
Adjusted EBITDA	15.114	11.319	33,5%
<i>IuteCredit Europe</i>	12.527	11.319	10,7%
Energbank	2.588	0	n/a
Interest coverage ratio	1,7	1,6	3,1%
Profit margin before tax	39,1%	14,2%	24,9%
Net profit	13.010	3.026	330,0%
Return on assets	5,6%	2,5%	3,1%
Return on equity	34,2%	13,6%	20,6%
	30 Jun 2022	31 Dec 2021	Δ in %
Asset quality			
Cost of risk	11,0%	15,2%	-4,2%
<i>IuteCredit Europe</i>	12,3%	15,2%	-2,9%
Energbank	2,3%	0	n/a
Impairment coverage ratio	69,5%	69,0%	0,5%
<i>IuteCredit Europe</i>	69,7%	69,0%	0,7%
Energbank	68,7%	0	n/a
Gross NPL ratio	15,3%	18,1%	-2,8%
<i>IuteCredit Europe</i>	17,1%	18,1%	-1,0%
Energbank	10,5%	0	n/a
Net NPL ratio	8,4%	11,3%	-2,9%
<i>IuteCredit Europe</i>	9,9%	11,3%	-1,4%
Energbank	4,7%	0	n/a

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About IuteCredit Group:

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

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

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

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

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

www.iutecredit.com

MANAGEMENT REPORT

Group Corporate and Organizational Overview

AS luteCredit Europe (**ICE**) is a holding company that provides services via its subsidiaries in local markets (**Subsidiaries**). As of 30 June 2022, ICE had nine operating subsidiaries: ICS OMF luteCredit SRL (**ICM**) and Energbank OSC (**EB**) in Moldova, luteCredit Albania SHA (**ICA**), luteCredit Macedonia DOOEL-Skopje (**ICMK**) in North Macedonia, lutePay Bulgaria EOOD (**lutePay Bulgaria**) and luteCredit Bulgaria EOOD (**ICBG**), MKD luteCredit BH d.o.o. Sarajevo (**ICBH**) in Bosnia and Herzegovina as well as luteCredit Finance S.a.r.l. (**ICF**) in Luxembourg and VeloxPay SH.P.K (**Velox**) in Albania. All subsidiaries are 100% owned by AS luteCredit Europe, except Energbank where ICE holds a 95% stake.

As part of strategic acquisition plans, luteCredit Europe acquired 95% of Moldovan Energbank of shares in 6M 2022 and submitted a mandatory takeover offer to minority shareholders at the end of the reporting period. luteCredit plans to acquire the largest possible stake in the bank by purchasing shares at market conditions. Once the new members of the Bank's governing bodies seconded by luteCredit are elected and approved by the National Bank of Moldova, luteCredit will be able to exercise full operational control over the Bank.

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

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

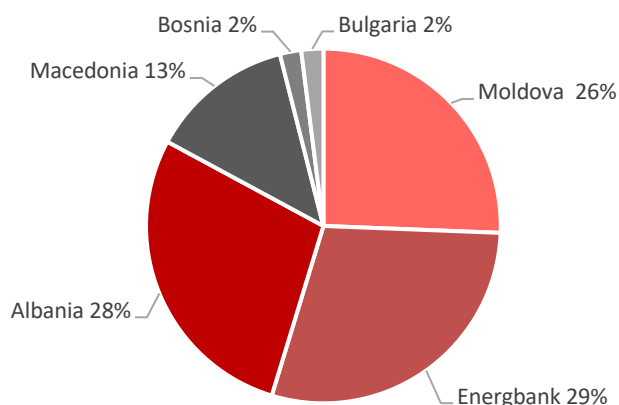
- Strategic targeting
- Scalability of business
- Business capabilities design, including organizations design, process design, and technology design
- Technology development and integration
- Composition of management teams at subsidiaries
- Human resource and customer experience framework rules and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

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

Business Model

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

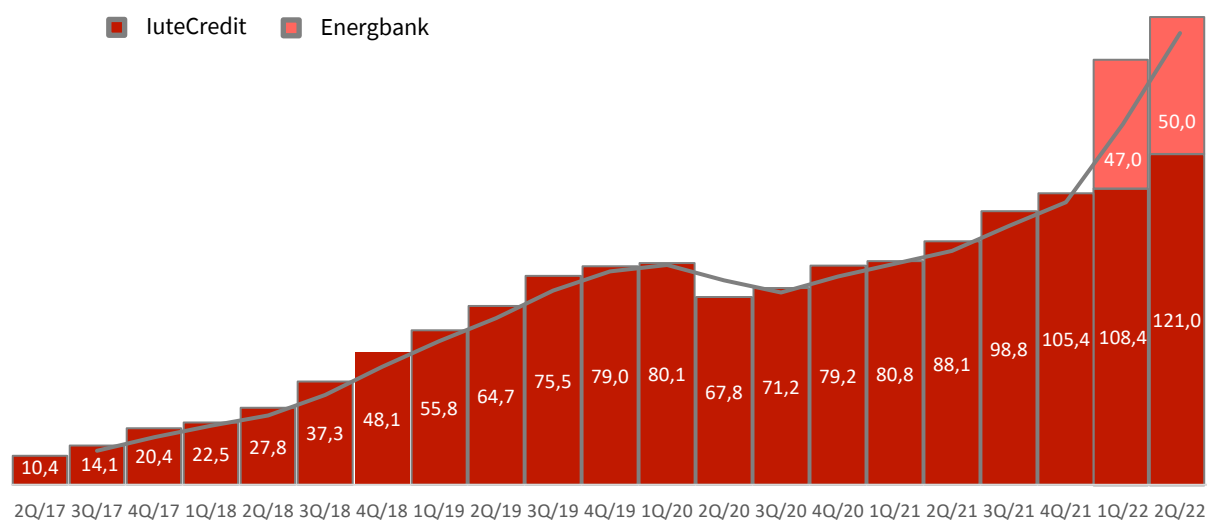
Breakdown of portfolio diversification as of 30/06/2022



ICG aims to serve only clients with a permanent workplace and stable income. The loan underwriting process is based on personal identification, personal income assessment, and personal loan performance data. Approximately 60% of loan applications by individual customers across the Group are approved on average.

Loans are handled via established partners network (such as shops, money transfer companies, and postal agencies), web portals, and other online channels, as well as luteCredit branches (retail offices). By the end of June 2022, luteCredit had 68 luteCredit branches and 1.765 shops. Traditionally, ICG handles money only via bank accounts or over the counter through its agents. With the introduction of luteCredit ATMs, the operating country subsidiaries are increasingly carrying out cash transactions.

Breakdown of net portfolio development in EUR (million)



Consolidated earnings, financial and asset position

Consolidated statement of profit and loss (condensed)

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest and similar income	34.631	23.413	47,9%
Interest and similar expense	-9.305	-6.463	44,0%
Net interest and commission fee income	25.326	16.950	49,4%
Loan administration fees and penalties	4.027	4.294	-6,2%
Total loan administration fees and penalties	4.027	4.294	-6,2%
Other income	1.537	1.499	2,5%
Allowances for loan impairment	-9.196	-8.612	6,8%
Net operating income	21.694	14.131	53,5%
Personnel expenses	-7.915	-4.146	90,9%
Depreciation/amortization charge	-2.185	-1.239	76,3%
Other operating expenses	-7.970	-5.129	55,4%
Total operating expenses	-18.070	-10.514	71,9%
Net gains/losses from financial assets measured at fair value	0	0	n/a
Net income from financial investments	9.588	0	n/a
Foreign exchange gains/losses	345	-297	n/a
Net financial result	9.933	-297	n/a
Profit before tax	13.557	3.319	308,5%
Income tax expense	-547	-293	86,8%
Net profit for the period	13.010	3.026	329,9%

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

Total income

Total income before expenses increased by 37,6% to 40.194 thousand EUR (6M/2021: 29.206 thousand EUR) reflecting the consolidation of Energbank as of 01 February 2022.

Breakdown of consolidated total income

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest and similar income	34.631	23.413	47,9%
<i>luteCredit Europe</i>	27.509	23.413	17,5%
<i>Energbank</i>	7.122	0	n/a
Penalties and similar income	4.027	4.294	-6,2%
<i>luteCredit Europe</i>	4.002	4.294	-6,8%
<i>Energbank</i>	25	0	n/a
Other income	1.537	1.499	2,5%
<i>luteCredit Europe</i>	1.957	1.499	30,6%
<i>Energbank</i>	-420	0	n/a
Total income	40.194	29.206	37,6%

Other income

Other income in 6M/2022 of 1.537 thousand EUR included, primarily, income of 515 thousand EUR from sales of defaulted loan portfolio and extraordinary income from debt collectors of 1.289 thousand EUR. Defaulted loan portfolio sale depends on the offered price and *luteCredit*'s own expectations of the collection. In case the collection results promise better cash flow than portfolio sales, the defaulted loans are not sold.

Interest income

Interest income for the period increased by 47,9% to 34.631 thousand EUR (6M/2021: 23.413 thousand EUR), affected by steadily increasing payouts and related to the acquisition of *Energbank* compared to the 93,2% increase in the average net loan portfolio.

Breakdown of interest income

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Total value of loan principal issued	119.099	74.723	59,4%
<i>luteCredit Europe</i>	97.887	74.723	31,0%
<i>Energbank</i>	21.212	0	n/a
Average net loan portfolio	161.645	83.651	93,2%
<i>luteCredit Europe</i>	113.625	83.651	35,8%
<i>Energbank</i>	48.020	0	n/a
Principal	175.502	87.838	99,8%
<i>luteCredit Europe</i>	123.337	87.838	40,4%
<i>Energbank</i>	52.165	0	n/a
Accrued interest	15.858	15.507	2,3%
<i>luteCredit Europe</i>	15.072	15.507	-2,8%
<i>Energbank</i>	786	0	n/a
Average annualized interest rate on net portfolio	47,7%	56,3%	-15,3%
<i>luteCredit Europe</i>	47,7%	56,3%	-15,3%
<i>Energbank</i>	17,2%	0	n/a
Interest income	34.631	23.413	47,9%
<i>luteCredit Europe</i>	27.509	23.413	17,5%
<i>Energbank</i>	7.121	0	n/a

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

Breakdown of interest income by countries

	6M/2022	Total share in %	6M/2021	Total share in %	Δ in %
Moldova	8.995	26,0%	10.022	42,8%	-10,2%
Energbank*	7.121	20,6%	0	0,0%	n/a
Albania	11.498	33,2%	8.976	38,3%	28,1%
Macedonia	5.593	16,1%	3.458	14,8%	61,7%
Bosnia	978	2,8%	936	4,0%	4,5%
Bulgaria	445	1,3%	22	0,1%	1924,2%
Total	34.631	100,0%	23.413	100,0%	47,9%

* with consolidation as of February 2022

Interest expense

Interest expense increased by 44,0% to 9.305 thousand EUR (6M/2021: 6.463 thousand EUR), in connection with the borrowing related to the expected growth of business. Most notably, was the issue of the 75 million EUR five-year corporate bond 2021/26 in October 2021.

Breakdown of interest expense

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest on amounts due to creditors	-738	-2.950	-75,0%
Interest on financial lease liabilities	-86	-62	38,9%
Interest on bonds	-7.877	-3.452	128,2%
Interest on deposits	-604	0	n/a
Total	-9.305	-6.463	44,0%

Loan administration fees and penalties

Income from other fees and penalties decreased by 6,2% to 4.027 thousand EUR (6M/2021: 4.294 thousand EUR) reflecting penalties and delay interests, resigns, deduction by dealer bonuses, and other secondary fees.

Breakdown of administration fees and penalties

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Penalties under loans and delay interests	4.461	4.716	-5,4%
<i>IuteCredit Europe</i>	4.436	4.716	-5,9%
<i>Energbank</i>	25	0	n/a
Resigns under customer loans	365	186	96,3%
Dealer bonuses	-842	-648	29,9%
Other fees from additional services	42	40	5,5%
Total	4.027	4.294	-6,2%

Allowances for loan impairment

Change in allowances for loan impairment increased by 6,8% to 9.196 thousand EUR (6M/2021: 8.612 thousand EUR). Allowances at Energbank are determined at the end of June and December only, accordingly, allowances of EUR 934 thousand are recognized for Energbank for 6M/2022. Adjusted for Energbank, the change in allowances for loan impairment decreased by 4,2% to 8,248 thousand EUR.

Breakdown of allowances for loan impairment

(In thousand EUR)	6M/2022	6M/2021	Δ in %
At the beginning of the period	-14.993	-15.859	-5,5%
Addition from business combination	-2.871	0	n/a
Allowances for loan impairment	-9.254	-8.612	7,4%
Utilized	6.709	9.270	-27,6%
Exchange differences	58	-27	n/a
At the end of the period	-20.351	-15.229	33,6%
(In thousand EUR)	6M/2022	6M/2021	Δ in %
Impairment charges on loans	-9.196	-9.441	-2,6%
Recovery from written-off loans	0	829	n/a
Net impairment charges	-9.196	-8.612	6,8%

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

Overall net impairment losses represented 26,6% of interest income (6M/2021: 36,8%). The cost of risk, expressed as net impairment charges to average gross loan portfolio, equaled 11,0% (31 December 2021: 15,2%).

Operating expenses

Operating expenses for the period increased by 71,3% to 15.885 thousand EUR (6M/2021: 9.275 thousand EUR) related to the expansion of business activity at luteCredit Europe as well as the consolidated Energbank operations as of February 2022. Advertising expenses accounted for 11,3% (6M/2021: 9,8%) of operating expenses while expenses on IT accounted 8,1% (6M/2021: 8,3%). The cost to income ratio for the period increased to 45,0% (6M/2021: 36,0%).

Breakdown of operating expenses

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Personnel	-7.915	-4.146	90,9%
Advertising expenses	-1.791	-908	97,3%
IT	-1.289	-767	68,1%
Debt collection	-416	-420	-0,9%
Legal and consulting	-723	-333	117,1%
Rent and utilities	-308	-109	182,4%
Taxes	-210	-1.136	-81,5%
Travel	-243	-237	2,7%
Other	-2.990	-1.218	145,5%
Total	-15.885	-9.275	71,3%
<i>luteCredit Europe</i>	-12.693	-9.275	36,9%
<i>Energbank</i>	-3.192	0	n/a

The increase in IT costs reflects the development of technological solutions at full speed to build up future revenue streams. Other operating expenses are not comparable to 6M/2021 expenses in view of cost reductions during COVID-19. Excluding personnel expenses, operating expenses increased by 41,7% to 7.270 thousand EUR (6M/2021: 5.129 thousand EUR).

Personnel expenses

Personnel expenses, mainly salaries and bonuses, and social security expenses increased less than the build-up in headcount by 90,9% to 7.915 thousand EUR (6M/2021: 4.146 thousand EUR), mostly related to the acquisition of Energbank. The average staff number in full-time equivalents increased by 141,2% to 1.013 employees (6M/2021: 420 employees).

Breakdown of personnel expenses

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Salaries and bonuses	-6.381	-3.588	77,9%
Social security expenses	-1.079	-451	139,2%
Medical insurance expenses	-95	-78	22,3%
Other expenses	-359	-29	n/a
Total	-7.915	-4.146	90,9%
<i>IuteCredit Europe</i>	-5.423	-4.146	30,8%
<i>Energbank</i>	-2.492	0	n/a
Number of employees adjusted to full-time	1.013	420	141,2%
<i>IuteCredit Europe</i>	483	420	15,0%
<i>Energbank</i>	530	0	n/a

Foreign exchange gains/losses

Foreign exchange movements resulted in a gain of 345 thousand EUR (6M/2021: loss 297 thousand EUR) reflecting, in particular, EUR/MDL and EUR/ALL conversion rates.

Profit before tax

Consolidated profit before tax increased to 13.557 thousand EUR (6M/2021: 3.319 thousand EUR). The profit margin before tax equaled 39,1% (6M/2021: 14,2%).

Income tax expense

Income tax expense increased to 547 thousand EUR (6M/2021: 293 thousand EUR), in particular, as a result of different taxation regulations in home markets, i.e., differences between provisions accounting in national GAAP and IFRS.

Breakdown of income tax

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Consolidated profit before tax	13.557	3.319	308,5%
Current income tax expense	-547	-293	86,8%
Net profit for the period	13.010	3.026	329,9%

Profit for the period

Net profit for the period increased to 13.010 thousand EUR (6M/2021: 3.026 thousand EUR).

Transition statement of non-IFRS measures EBITDA and Adjusted EBITDA

Breakdown of transition to adjusted EBITDA

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Profit for the period	13.010	3.026	329,9%
Provision for corporate income tax	547	293	86,8%
Interest expense	9.305	6.463	44,0%
Depreciation and amortization	2.185	1.239	76,3%
EBITDA	25.047	11.022	127,2%
Adjustments	9.933	-297	n/a
Adjusted EBITDA	15.114	11.319	33,5%

Breakdown of adjustments to EBITDA

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Net gains/losses from financial assets measured at fair value	9.588	0	n/a
Foreign exchange gains/losses	345	-297	n/a
Adjustments	9.933	-297	n/a

Condensed statement of financial position

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	66.250	46.324	43,0%
<i>IuteCredit Europe</i>	11.173	46.324	n/a
<i>Energbank</i>	55.077	0	n/a
Loans to customers	171.010	105.372	62,3%
<i>IuteCredit Europe</i>	121.878	105.372	n/a
<i>Energbank</i>	49.132	0	n/a
Prepayments	2.339	620	277,2%
Other assets	4.877	3.112	56,7%
Other financial investments	37.977	2.755	1278,5%
Property, plant, and equipment	7.105	1.076	560,3%
Right-of-use assets	1.493	1.587	-6,0%
Intangible assets	7.836	5.939	31,9%
Total assets	298.886	166.786	79,2%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	237.885	133.945	77,6%
Lease liabilities	1.639	1.765	-7,1%
Trade and other payables	1.533	1.387	10,5%
Current income tax liabilities	222	638	-65,2%
Deferred tax liabilities	745	882	-15,5%
Other liabilities	6.308	2.586	143,9%
Total liabilities	248.332	141.202	75,9%
Equity			
Minority share	4.270	0	n/a
Share capital	10.000	10.000	0,0%
Legal reserve	1.000	799	n/a
Revaluation reserve	791	0	n/a
Unrealized foreign exchange differences	373	-510	n/a
Retained earnings	34.121	15.295	123,1%
Total equity	50.555	25.584	97,6%
Total equity and liabilities	298.886	166.786	79,2%

Assets

Total assets increased by 79,2% to 298.886 thousand EUR as of 30 June 2022 (31 December 2021: 166.786 thousand EUR) mainly as a result of the Energbank acquisition.

Loan portfolio

The net loan portfolio increased by 62,3% to 171.010 thousand EUR as of 30 June 2022 (31 December 2021: 105.372 thousand EUR).

Breakdown of net portfolio

(In thousand EUR)	30 Jun 2022	Total in %	31 Dec 2021	Total in %	Δ in %
Moldova	43.802	25,6%	40.353	38,3%	8,5%
Energbank	49.132	28,7%	0	0,0%	n/a
Albania	48.666	28,5%	41.090	39,0%	18,4%
Macedonia	22.928	13,4%	19.967	18,9%	14,8%
Bosnia	3.903	2,3%	2.844	2,7%	37,2%
Bulgaria	2.578	1,5%	1.118	1,1%	130,6%
Total net loan portfolio	171.010	100,0%	105.372	100,0%	62,3%

Breakdown of loan applications

in pcs	6M/2022					6M/2021					Δ in %		
	Processed	Approved	Paid out	Approval rate %	Active rate %	Processed	Approved	Paid out	Approval rate %	Active rate %	Processed	Approved	Approval rate %
Moldova	104.404	67.703	35.782	64,8%	93,2%	98.285	60.076	56.922	61,1%	92,1%	6,2%	12,7%	6,1%
Energbank	4.599	3.729	21.212	81,1%	94,7%	0	0	0	0,0%	0,0%	n/a	n/a	n/a
Albania	85.490	63.205	37.731	73,9%	96,4%	76.292	54.830	54.215	71,7%	94,4%	12,1%	15,3%	3,1%
Macedonia	39.516	25.187	17.462	63,7%	93,8%	37.629	22.508	22.575	59,8%	98,9%	5,0%	11,9%	6,6%
Bosnia	8.142	4.265	3.402	52,4%	98,0%	8.101	3.288	3.196	40,4%	97,0%	0,5%	29,7%	29,7%
Bulgaria	39.608	6.230	3.510	15,7%	89,3%	4.902	528	459	13,8%	100,0%	708,0%	>1.000%	14,0%
In total	281.759	170.319	119.099	60,4%	94,2%	225.209	141.230	137.367	57,6%	95,6%	25,1%	20,6%	5,0%

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

Breakdown of issued loans APR on country level

(In %)	6M/2022	6M/2021	Δ in %
Moldova	45,4%	58,7%	-22,7%
Albania	55,1%	60,8%	-9,4%
Macedonia	39,2%	43,5%	-9,9%
Bosnia	43,0%	59,7%	-28,0%
Bulgaria	39,4%	40,9%	-3,7%
ICG weighted average	47,7%	56,3%	-15,3%
Energbank	17,2%	0,0%	n/a

The decrease in average annual percentage rates (APR) at group level in 6M/2022 relates to intensified competition across operating countries as well as to the shift to longer loan maturities and the increasing share of repeating customers. Moldova accounted a lower proportion of dealers compared with the previous year due to lockdowns, while cash loans had higher APRs with lower payouts. Moreover, in Albania APR caps became effective from the start of 2022.

Breakdown of customer performance index (CPI30)

The following table sets out the ratio of actual loan repayments compared to expected repayments according to loan repayment schedules, plus 30 days tolerance, i.e., Customer Performance Index (CPI30).

(In %)	6M/2022	6M/2021	Δ in %
Moldova	90,4%	85,9%	5,2%
Albania	92,5%	89,8%	3,0%
Macedonia	93,1%	86,5%	7,6%
Bosnia	78,4%	70,2%	11,7%
Bulgaria	72,0%	0,0%	n/a
ICG weighted average	91,1%	87,9%	3,6%

CPI30 is a proprietary luteCredit Europe metric that has not yet been implemented in Energbank processes.

Breakdown of portfolio classification

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

(In thousand EUR)	30 Jun 2022				31 Dec 2021			
	Gross amount	Provisions	Net amount	% of net portfolio	Gross amount	Provisions	Net amount	% of net portfolio
Performing	162.064	-5.464	156.601	91,6%	98.630	-5.157	93.473	88,7%
<i>luteCredit Europe</i>	114.675	-4.881	109.794	90,1%	98.630	-5.157	93.473	88,7%
<i>Energbank</i>	47.389	-583	46.806	95,3%	0	0	0	n/a
Non-Performing	29.296	-14.887	14.409	8,4%	21.734	-9.835	11.899	11,3%
<i>luteCredit Europe</i>	23.734	-11.651	12.084	9,9%	21.734	-9.835	11.899	11,3%
<i>Energbank</i>	5.562	-3.236	2.326	4,7%	0	0	0	n/a
Total portfolio	191.360	-20.351	171.010	100,0%	120.365	-14.993	105.372	100,0%
<i>luteCredit Europe</i>	138.410	-16.532	121.878	71,3%	120.365	-14.993	105.372	100,0%
<i>Energbank</i>	52.951	-3.819	49.132	28,7%	0	0	0	n/a

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(In thousand EUR)	30 Jun 2022	Total share in %	31 Dec 2021	Total share in %
Stage 1	154.247	90,2%	91.353	86,7%
<i>luteCredit Europe</i>	107.466	62,8%	91.353	86,7%
<i>Energbank</i>	46.780	27,4%	0	n/a
Stage 2	2.354	1,4%	2.120	2,0%
<i>luteCredit Europe</i>	2.328	1,4%	2.120	2,0%
<i>Energbank</i>	26	0,0%	0	n/a
Stage 3	14.409	8,4%	11.899	11,3%
<i>luteCredit Europe</i>	12.084	7,1%	11.899	11,3%
<i>Energbank</i>	2.326	1,4%	0	n/a
Total net portfolio	171.010	100,0%	105.372	100,0%
<i>luteCredit Europe</i>	121.878	71,3%	105.372	100,0%
<i>Energbank</i>	49.132	28,7%	0	n/a
Gross NPL ratio	15,3%		18,1%	
<i>luteCredit Europe</i>	17,1%		18,1%	
<i>Energbank</i>	10,5%		0	
Impairment coverage ratio	69,5%		69,0%	
<i>luteCredit Europe</i>	69,7%		69,0%	
<i>Energbank</i>	68,7%		0	

Distribution principles between stages

	30 Jun 2022	31 Dec 2021
Stage 1	DPD <=30	DPD <=30
Stage 2	30 < DPD <=50	30 < DPD <=50
Stage 3	DPD > 50	DPD > 50

Other assets and prepayments

Breakdown of other assets and prepayments

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
Deferred tax assets	359	179	100,8%
Prepayments of rent	94	84	11,7%
Prepayment of taxes	1.172	251	365,9%
Prepayments to suppliers and deferred expenses	714	105	577,0%
Prepayments in total	2.339	620	277,3%
Receivables from collection companies	746	771	-3,2%
Other receivables	1.843	70	>1.000%
Deposit receivables from partners	2.288	2.271	0,7%
Trade and other receivables in total	4.877	3.112	56,7%
TOTAL	7.216	3.732	93,4%

Liabilities

As of 30 June 2022, total liabilities increased by 75,9% to 248.332 thousand EUR (31 December 2021: 141.102 thousand EUR). The change mainly relates to the acquisition of Energbank.

Breakdown of loans and borrowings

Loans and borrowings increased by 76,4% to 239.524 thousand EUR (31 December 2021: 135.710 thousand EUR), accounting for 96,5% of all liabilities (31 December 2021: 96,1%).

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
Loans from investors	114.065	10.287	>1.000%
Due date during next 12 months	79.734	3.351	>1.000%
<i>luteCredit Europe</i>	5.336	3.351	59,2%
<i>Energbank customer deposits</i>	74.398	0	n/a
Due date after 12 months	34.331	6.936	395,0%
<i>luteCredit Europe</i>	12.494	6.936	80,1%
<i>Energbank customer deposits</i>	21.837	0	n/a
	118.725	119.408	-0,6%
Bond liabilities			
Due date during next 12 months	0	0	n/a
Due date after 12 months	118.725	119.408	-0,6%
Lease liabilities	1.639	1.765	-7,2%
Due date during next 12 months	805	831	-3,1%
Due date after 12 months	834	934	-10,8%
Accrued interest	5.095	4.249	19,9%
TOTAL	239.524	135.710	76,5%
<i>weighted average interest rate</i>	8,6%	11,8%	
<i>currency</i>	EUR, MDL, USD; ALL; MKD	EUR, MDL, USD; ALL; MKD	

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

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

At the end of September 2021, luteCredit Finance S.a.r.l., wholly owned Luxembourg subsidiary of ICG, issued EUR 75 million senior secured corporate bonds with a maturity of 5 years and a coupon of 11% (ISIN: XS2378483494). The bonds were subscribed by professional as well as retail investors and are listed on the Regulated Market of the Frankfurt Stock Exchange as well as on the Regulated Market of the Nasdaq Tallinn Stock Exchange.

Eurobond covenant ratios

	30 Jun 2022	31 Dec 2021	Δ in %
Capitalization			
Capitalization ratio (Equity/net loan portfolio)	29,6%	24,3%	21,8%
Financial covenant at least	15%		
	6M/2022	6M/2021	Δ in %
Profitability			
Interest coverage ratio (ICR), times (Adjusted EBITDA/interest expenses)	1,7	1,6	1,6%
Financial covenant at least	1,5		

Distribution of investor loan (Mintos)

(In thousand EUR)	Mintos loans			Net loan portfolio			
	30 Jun 2022	31 Dec 2021	Δ in %	30 Jun 2022	Total share in %	31 Dec 2021	Total share in %
Moldova	1.299	291	346,4%	43.802	3,0%	40.353	0,7%
Energbank	0	0	n/a	49.132	n/a	0	n/a
Albania	3.121	305	923,3%	48.666	6,4%	41.090	0,7%
Macedonia	195	312	-37,5%	22.928	0,9%	19.967	1,6%
Bosnia	0	0	n/a	3.903	0,0%	2.844	n/a
Bulgaria	0	0	n/a	2.578	0,0%	1.118	n/a
Total	4.615	908	408,3%	171.010	4,0%	105.372	0,9%

Other liabilities

Breakdown of other liabilities

(In thousand EUR)	30 June 2022	31 Dec 2021	Δ in %
Trade payables	1.533	1.387	10,5%
Payables to employees	528	466	13,3%
Corporate income tax payables	222	638	-65,2%
Other tax payables	745	882	-15,5%
Dealer loan liabilities	901	890	1,2%
Over-/wrong payments from customers	1.126	487	131,2%
Other liabilities	3.753	743	405,1%
TOTAL	8.808	5.493	60,3%

Equity

As of 30 June 2022, equity increased by 97,6% to 50.555 thousand EUR (31 December 2021: 25.584 thousand EUR), representing an equity to assets ratio of 16,9% (31 December 2021: 15,3%). The equity to net loan portfolio ratio increased to 29,6% (31 December 2021: 24,3%), reflecting the Group's strong capitalization, and exceeds luteCredit Eurobond covenants of at least 15% significantly.

Off-balance sheet arrangements

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

Recent developments

After the end of the reporting period, the senior secured bond 2019/2023 (Eurobond; ISIN: XS2033386603) issued by luteCredit Finance S.a.r.l., a wholly owned Luxembourg subsidiary of luteCredit Europe, in August 2019, has a term of less than twelve months maturing on 7 August 2023. The Company will start preparing for the liability management of the outstanding 13% corporate bonds in the total amount of EUR 50 million in Q4 2022.

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest and similar income	34.631	23.413	47,9%
Interest and similar expense	-9.305	-6.463	44,0%
Net interest and commission fee income	25.326	16.950	49,4%
Loan administration fees and penalties	4.027	4.294	-6,2%
Loan administration fees and penalties in total	4.027	4.294	-6,2%
Other income	1.537	1.499	2,5%
Allowances for loan impairment	-9.196	-8.612	6,8%
Net operating income	21.694	14.131	53,5%
Personnel expenses	-7.915	-4.146	90,9%
Depreciation/amortization charge	-2.185	-1.239	76,3%
Other operating expenses	-7.970	-5.129	55,4%
Total operating expenses	-18.070	-10.514	71,9%
Net gains/losses from financial assets measured at fair value	0	0	n/a
Net income from subsidiaries using equity method	9.588	0	n/a
Foreign exchange gains/losses	345	-297	n/a
Net financial result	9.933	-297	n/a
Profit before tax	13.557	3.319	308,5%
Income tax expense	-547	-293	86,8%
Profit for the reporting period	13.010	3.026	330,0%
Other comprehensive income			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	883	-58	n/a
Other comprehensive income total	13.893	2.969	367,9%
Profit attributable to:			
Equity holders of the parent	12.718	2.969	328,3%
Equity holders of minority	292	0	n/a
Total comprehensive income attributable to:			
Equity holders of the parent	13.601	2.969	358,1%
Equity holders of minority	292	0	n/a

IuteCredit Europe statement of comprehensive income

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest and similar income	27.509	23.413	17,5%
Interest and similar expense	-8.605	-6.463	33,1%
Net interest and commission fee income	18.904	16.950	11,5%
Loan administration fees and penalties	4.002	4.294	-6,8%
Loan administration fees and penalties in total	4.002	4.294	-6,8%
Other income	1.957	1.499	30,6%
Allowances for loan impairment	-8.248	-8.612	-4,2%
Net operating income	16.614	14.131	17,6%
Personnel expenses	-5.423	-4.146	30,8%
Depreciation/amortization charge	-1.877	-1.239	51,5%
Other operating expenses	-7.270	-5.129	41,7%
Total operating expenses	-14.570	-10.514	38,6%
Net gains/losses from financial assets measured at fair value	9.588	0	n/a
Net income from subsidiaries using equity method	350	-297	n/a
Foreign exchange gains/losses	9.938	-297	n/a
Net financial result			
Profit before tax	11.982	3.319	261,0%
Income tax expense	-421	-293	43,8%
Profit for the reporting period	11.561	3.026	282,1%
Other comprehensive income			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations			
Other comprehensive income total	120	-58	n/a
	11.681	2.969	293,4%
Profit attributable to:			
Equity holders	11.681	2.969	293,4%
Total comprehensive income attributable to:			
Equity holders	11.681	2.969	293,4%

Energbank statement of comprehensive income

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Interest and similar income	8.867	4.952	79,1%
Interest and similar expense	-801	-586	36,7%
Net interest and commission fee income	8.066	4.366	84,7%
Loan administration fees and penalties	25	29	-13,8%
Loan administration fees and penalties in total	25	29	-13,8%
Other income	-436	65	n/a
Allowances for loan impairment	-934	308	n/a
Net operating income	6.721	4.768	41,0%
Personnel expenses	-2.829	-2.236	26,5%
Depreciation/amortization charge	-322	-289	11,4%
Other operating expenses	-1.687	-1.078	56,5%
Total operating expenses	-4.838	-3.603	34,3%
Foreign exchange gains/losses	-46	0	n/a
Net financial result	-46	0	n/a
Profit before tax	1.837	1.165	57,7%
Income tax expense	-155	-120	29,2%
Profit for the reporting period	1.682	1.045	61,0%

Consolidated statement of financial position

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	66.250	46.324	43,0%
Loans to customers	155.457	105.372	47,5%
Prepayments	2.339	620	277,2%
Other assets	4.877	3.112	56,7%
Other financial investments	37.977	2.755	>1.000%
Property, plant and equipment	7.105	1.076	560,3%
Right-of-use assets	1.493	1.587	-6,0%
Intangible assets	7.836	5.939	31,9%
Total assets	298.886	166.786	79,2%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	237.885	133.945	77,6%
Lease liabilities	1.639	1.765	-7,1%
Trade and other payables	1.533	1.387	10,5%
Current income tax liabilities	222	638	-65,2%
Deferred tax liabilities	745	882	-15,5%
Other liabilities	6.308	2.586	143,9%
Total liabilities	248.332	141.202	75,9%
Equity			
Minority share	4.270	0	n/a
Share capital	10.000	10.000	0,0%
Legal reserve	1.000	799	25,2%
Revaluation reserve	791	0	n/a
Unrealized foreign exchange differences	373	-510	n/a
Retained earnings	34.121	15.295	123,1%
Total equity	50.555	25.584	97,6%
Total equity and liabilities	298.886	166.786	79,2%

IuteCredit statement of financial position

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	11.173	46.324	-75,9%
Loans to customers	121.878	105.372	15,7%
Prepayments	1.774	620	186,2%
Other assets	3.101	3.112	-0,3%
Other financial investments	33.726	2.755	>1.000%
Property, plant and equipment	1.128	1.076	4,8%
Right-of-use assets	1.244	1.587	-21,6%
Intangible assets	7.212	5.939	21,4%
Total assets	181.236	166.786	8,7%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	137.300	133.944	2,5%
Lease liabilities	1.384	1.765	-21,6%
Trade and other payables	1.499	1.387	8,1%
Current income tax liabilities	0	638	n/a
Deferred tax liabilities	741	882	-16,0%
Other liabilities	3.043	2.586	17,7%
Total liabilities	143.968	141.202	2,0%
Equity			
Share capital	10.000	10.000	n/a
Legal reserve	1.000	799	25,2%
Unrealized foreign exchange differences	-390	-510	-23,5%
Retained earnings	26.655	15.295	74,3%
Total equity	37.265	25.585	45,7%
Total equity and liabilities	181.233	166.786	8,7%

Energbank statement of financial position

(In thousand EUR)	30 Jun 2022	31 Dec 2021	Δ in %
ASSETS			
Cash and cash equivalents	55.077	48.775	12,9%
Loans to customers	49.132	46.907	4,7%
Prepayments	565	90	527,8%
Other assets	1.776	1.052	68,8%
Other financial investments	35.024	43.961	-20,3%
Property, plant and equipment	5.977	5.970	0,1%
Right-of-use assets	249	399	-37,6%
Intangible assets	624	533	17,1%
Total assets	148.424	147.687	0,5%
LIABILITIES AND EQUITY			
Liabilities			
Loans and bonds from investors	100.584	112.349	-10,5%
Lease liabilities	255	267	-4,5%
Trade and other payables	34	6	466,7%
Current income tax liabilities	222	79	181,0%
Deferred tax liabilities	177	193	-8,3%
Other liabilities	3.089	742	316,3%
Total liabilities	104.361	113.636	-8,2%
Equity			
Share capital	5.010	5.010	n/a
Own shares	0	-2.460	n/a
Share premium	5.906	0	n/a
Legal reserve	497	490	1,4%
Revaluation reserve	791	794	-0,4%
Foreign currency exchange reserve	668	-325	n/a
Other reserves	4.093	5.126	-20,2%
Retained earnings	27.098	25.416	6,6%
Total equity	44.063	34.051	29,4%
Total equity and liabilities	148.424	147.687	0,5%

Consolidated statement of cash flows

(In thousand EUR)	6M/2022	6M/2021	Δ in %
Paid prepayments (-)	-14.703	-10.726	37,1%
Received pre- and overpayments (+)	22.861	15.257	49,8%
Paid trade payables outside the Group (-)	-11.285	-7.785	45,0%
Received debts from buyers and received other claims (+)	868	1.732	-49,9%
Received from collection companies (+)	15.493	11.891	30,3%
Paid net salaries (-)	-5.195	-3.103	67,4%
Paid tax liabilities, exc. CIT (-)	-3.006	-2.527	18,9%
Corporate income tax paid (-)	-1.591	-818	94,5%
Paid out to customers outside the Group (-)	-109.933	-32.374	239,6%
Change in MasterCard settlement account (+/-)	-6.061	-8.457	-28,3%
Principal repayments from customers outside the Group (+)	73.547	21.845	236,7%
Loan principal repayments from customers related to MasterCard (+)	9.820	5.031	95,2%
Interest, commission and other fees received outside the Group (+)	18.488	9.209	100,8%
NET CASH FLOWS FROM OPERATING ACTIVITIES	-10.697	-825	>1.000%
Purchase of fixed assets outside the Group, incl. prepayments (-)	-2.654	-810	227,6%
Net cash flow from acquisition of subsidiaries (+)	44.771	0	n/a
Payments for other financial investments (-)	-22.303	-170	>1.000%
Receipts from other financial investments (+)	17.246	6.750	100,0%
NET CASH FLOWS FROM INVESTING ACTIVITIES	37.060	5.769	542,4%
Loans received from investors outside the Group (+)	8.024	18.020	-55,5%
Repaid loans to investors outside the Group (-)	-4.894	-20.815	-76,5%
Principal payments of financial lease contracts (-)	-610	-487	25,3%
Interests paid outside the Group (-)	-8.632	-4.735	82,3%
Dividends paid outside the Group (-)	0	-1.499	n/a
Receipts from other financing activities	3	0	n/a
NET CASH FLOWS FROM FINANCING ACTIVITIES	-6.109	-9.516	-35,8%
Change in cash and cash equivalents	20.254	-4.572	-n/a
Cash and cash equivalents at the beginning of the period	46.324	19.453	138,1%
Change in cash and cash equivalents	20.254	-4.572	n/a
Net foreign exchange difference	-328	46	n/a
Cash and cash equivalents at the end of the period	66.250	14.927	343,8%
Cash and cash equivalents comprise	30 Jun 2022	30 Jun 2021	Δ in %
Cash on hand	10.721	418	>1.000%
Non-restricted current account	55.529	14.509	282,7%

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

Consolidated statement of changes in equity

(In thousand EUR)	Share capital	Legal reserve	Share premium	Unrealized foreign exchange differences	Revaluation reserve	Retained earnings	Minority share	Total
01/01/21	10.000	537	0	-1.689	0	12.639	0	21.487
Profit for the year	0	0	0	0	0	3.026	0	3.026
Other comprehensive income								
Foreign currency translation	0	0	0	-58	0	0	0	-58
Total comprehensive income	0	0	0	-58	0	3.026	0	2.969
Contribution to share capital	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	-1.500	0	-1.500
30/06/21	10.000	537	0	-1.747	0	14.165	0	22.956
01/01/22	10.000	799	0	-510	0	15.296	0	25.585
Profit for the period	0	0	0	0	0	12.718	292	13.010
Other comprehensive income								
Foreign currency translation	0	0	0	883	0	0	0	883
Revaluation reserve of financial assets	0	0	0	0	791	0	0	791
Total comprehensive income	0	0	0	883	791	12.718	292	14.684
Acquisition of subsidiary	0	0	0	0	0	7.103	13.948	21.051
Acquisition of non-controlling interest	0	0	0	0	0	-795	-9.970	-10.765
Allocation to reserves	0	201	0	0	0	-201	0	0
Dividends	0	0	0	0	0	0	0	0
30/06/22	10.000	1.000	0	373	791	34.121	4.270	50.555

Additional consolidated key performance indicators

Profitability	6M/2022	6M/2021	Δ in %
Return on average assets	5,6%	2,5%	3,1%
Return on average equity	34,2%	13,6%	20,6%
Interest income/Average interest-earning assets	17,9%	21,2%	-3,3%
Interest income/Average gross loan portfolio	22,2%	23,6%	-1,4%
Interest income/Average net loan portfolio	21,4%	26,7%	-5,2%
Interest expense/Interest income	26,9%	27,6%	-0,7%
Cost of funds	4,8%	6,6%	-1,8%
Cost of interest-bearing liabilities	5,0%	6,8%	-1,8%
Net interest margin	19,2%	20,3%	-1,1%
Net effective annualized yield	25,1%	28,0%	-2,9%
Net impairment/interest income	26,6%	36,8%	-10,2%
Net fee and commission income/Total operating income	96,2%	94,9%	1,3%
Earnings before taxes/Average total assets	5,8%	2,8%	3,1%
Efficiency	6M/2022	6M/2021	Δ in %
Total assets/Employee (in thousand EUR)	295	397	-25,7%
Total operating income/Employee (in thousand EUR)	40	70	-42,9%
Cost/Income ratio	45,0%	36,0%	9,0%
Total recurring operating costs/Average total assets	1,0%	1,9%	-0,8%
Total operating income/ Average total assets	17,3%	24,3%	-7,0%
Personnel costs/Total recurring operating costs	325,8%	184,1%	141,7%
Personnel costs/Total operating income	19,7%	14,2%	5,5%
Net operating income/Total operating income	54,0%	48,4%	5,6%
Net income (Loss)/Total operating income	32,4%	10,4%	22,0%
Profit before tax (Loss)/Interest income	39,1%	14,2%	25,0%
Liquidity	6M/2022	6M/2021	Δ in %
Net loan receivables/Total assets	57,2%	63,2%	-6,0%
Average net loan receivables/Average total assets	69,4%	73,1%	-3,7%
Net loan receivables/Total liabilities	68,9%	74,6%	-5,8%
Interest-earning assets/Total assets	64,9%	66,2%	-1,4%
Average interest-earning assets/Average total assets	65,3%	85,7%	-20,3%
Liquid assets/Total assets	34,9%	29,4%	5,4%
Liquid assets/Total liabilities	42,0%	34,8%	7,2%
Total deposits/Total assets	11,8%	0,1%	11,7%
Total deposits/Total liabilities	14,2%	0,1%	14,1%
Total deposits/Shareholders' equity	69,9%	0,8%	69,1%
Tangible common equity/Tangible assets	14,7%	12,2%	2,5%
Tangible common equity/Net receivables	25,0%	18,6%	6,3%
Net Loan Receivables/Equity (times)	3,4	4,1	-17,9%
Asset quality	6M/2022	6M/2021	Δ in %
Loan loss reserve/Gross receivables from client	10,6%	12,5%	-1,8%
Average loan loss reserve/Average gross receivables from clients	11,3%	14,3%	-3,0%
Cost of risk	11,0%	15,2%	-4,2%
Gross NPL ratio	15,3%	18,1%	-2,8%
Impairment coverage ratio	69,5%	75,4%	-5,9%
Selected operating data	6M/2022	6M/2021	Δ in %
Number of employees (adjusted to full-time)	1.013	420	141,2%
Average monthly gross salary in group (in EUR)	1.050	1.424	-26,3%

DEFINITIONS

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

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

Adjusted interest coverage – Adjusted EBITDA/interest expense

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

Cost/income ratio – Operating costs/operating income

Equity/assets ratio – Total equity/total assets

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

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

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

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

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

Interest and similar income – Generated from our customer loan portfolio

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

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

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

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

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

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

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

Profit before tax margin – Profit before tax/interest income

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

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

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

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

Tangible equity – Total equity minus intangible assets

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

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

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

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