

ANNUAL REPORT

O.C.N. "IUTE CREDIT" S.R.L.

for the year 2024

prepared in accordance with National Accounting Standards



(free translation*)

* TRANSLATOR'S EXPLANATORY NOTE: The above translation of the financial statements is provided as a free translation from Romanian which is the official and binding version.

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INDEPENDENT AUDITOR'S REPORT

To the management of OCN „Iute Credit” SRL

Report on the Audit of Financial Statements

Opinion

- [1] We have audited the accompanying financial statements of OCN Iute Credit SRL (hereinafter referred to as (“the Company”), which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes.
- [2] In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year ended in accordance with National Accounting Standards (NASs).

Basis for Opinion

- [3] We conducted our audit in accordance with International Standards on Auditing (ISAs), and Law no. 271/2017 on the Audit of Financial Statements as amended to date (“the Law”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Republic of Moldova including the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information – Annual Report

[4] Management is responsible for the preparation and presentation of the other information. The other information comprises the Annual report, which also contains Management's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended December 31, 2024, 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.

Other Reporting Responsibilities in Accordance with the legislation of the Republic of Moldova Related to Other information

With respect to the Management's Report, we read it and report if this has been prepared, in all material respects, in accordance with the requirements of Law no. 287/2017 on Accounting and Financial Reporting, article 23, paragraph 2-8.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) the information included in the Management's Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these financial statements;
- b) the Management's Report has been prepared, in all material respects, in accordance with the provision of the Law no. 287/2017 on Accounting and Financial Reporting, article 23, paragraph 2-8.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2024, we are required to report if we have identified a material misstatement of this Management's Report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

[5] Management is responsible for the preparation and fair presentation of the financial statements in accordance with NASs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

[6] In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

[7] Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

[8] Our objectives 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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.

[9] As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 management.
- Conclude on the appropriateness of management's 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 auditor's report 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 auditor's report. 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.

[10] 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.

Chisinau, Moldova
March 20, 2025

ICS Baker Tilly Klitou and Partners SRL
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Alexandr Polomosnih

<i>For the signatures, please refer to the original signed Romanian version</i>

Licensed Auditor
Auditor Qualification Certificate AG Series
No.000269 of June 16, 2010
Certificate of Qualification of Auditors of
Financial Institutions Series AIF 0014 of
April 12, 2012

2. Management Report

Macroeconomic Climate

The macroeconomic climate in 2024 presented both challenges and opportunities for Iute Credit (hereinafter ICM). On one hand, the company faced increasing regulatory pressures and fierce competition. On the other hand, it managed to capitalize on the opportunities offered by digitalization and the growing demand for non-banking financial services.

In 2024, ICM continued its efforts to provide customers with innovative and accessible financial solutions, adapting to a constantly changing economic and regulatory environment. The company focused on the following key areas:

- **Complete digitalization of the customer experience:** ICM invested in the development and improvement of its digital platforms, offering customers the ability to access and manage financial products and services completely online, quickly and efficiently. This approach allowed the company to expand its geographical coverage and reach a larger number of customers, including in rural areas.
- **Diversification of revenue streams:** In addition to its core lending business, ICM developed other business lines, such as insurance services and credit disbursement through its own network of ATMs. This revenue diversification contributed to increasing the company's financial stability and reducing its dependence on a single type of activity.
- **Sustainable lending practices:** ICM continued to promote responsible lending practices, offering customers larger loans for longer periods, but at a lower interest rate. This approach had a positive impact on customers, allowing them to access more advantageous financing and manage their budget more efficiently.
- **Reduction of the annual percentage rate of loans:** In line with its commitment to providing more affordable financial products, ICM continued to reduce the average annual percentage rate of disbursed loans. In 2024, this rate reached 33%, making ICM's loans more competitive in the market.

In 2024, ICM earned 466 million lei, or approximately revenue from its 75,000 credit service customers. ICM achieved a net profit of over 46 million lei. The balance sheet reached 1,173 million lei (+9.7% per year).

Digitalization and the new types of services offered to customers greatly helped to increase key indicators. They are even more important for the future as a precondition for the seamless integration of Iute with e-commerce solutions. At the end of 2024, ICM had over 380,000 users of the MyIute mobile app, as well as 28 ATMs.

For 2025, Iute Credit anticipates a similar macroeconomic environment, with regulatory pressures and high competition. However, the company is confident in its ability to continue growing and improving its

performance. Iute Credit will focus on digitalization, personalizing the customer experience, and developing new and innovative products and services.

Performance of OCN "IUTE CREDIT" SRL

In 2024, the company continued to invest in the development of three main lines of financial services: non-bank loans, payments, and insurance. These three components, working together, aim to create an integrated digital non-bank financial system, similar to a banking ecosystem, tailored to customer needs. The company made significant progress in 2024, both in terms of increasing business volume (quantitative growth) and improving the quality of products and working methods (qualitative progress).

However, despite profitable growth, the results obtained did not reach the company's initial expectations. This suggests that the objectives set for 2024 were very ambitious, and the performance, although positive, was not high enough to fully meet them. This situation was also influenced by two important factors: increasing market competition and legislative restrictions.

Thus, annual revenues were recorded at 466 million lei, down from 2023 revenues by 23 million lei. Total assets (balance sheet) reached 1,173 million lei, 9.7% more than in 2023. Within the balance sheet, the size of net loans granted to customers reached 1,082 million lei, representing a gross loan portfolio of 1,207 million lei, with provisions for loss coverage at 125 million lei. The company's liabilities increased by 80 million lei compared to the previous year, being recorded at 787 million lei (2023: 707 million lei). At the same time, the cash position was optimized, decreasing by 56 million lei and reaching a level of over 56 million lei. Finally, we ended the year with a larger, but also stronger, balance sheet, which we intend to use aggressively in 2025.

There is a strong internal development that is not immediately visible on the balance sheet. The company continued to invest in financial technologies, such as a cash disbursement channel - cardless ATMs and the Mylute mobile application, a state-of-the-art centralized multifunctional customer support system, more efficient online customer interaction, and we continue to invest in many other exciting developments. We managed to maintain the average annual revenue per employee at the same level as the previous year, namely 3.7 million lei, thus maintaining our financial productivity level. We have also created a significant social impact as an employer, supplier, sponsor, educator, and market participant.

We remained true to our mission to provide our customers with an extraordinary personal finance experience, while remaining profitable. At the end of the year, we had over 75,000 unique customers with active loans. Net profit from 2024 was achieved at the proposed target level, recording a positive result of over 46 million lei. Return on equity in 2024 was achieved at 12%.

Trends in financial results

Nr. ord.	Indicators	2023		2024		Absolute deviation, th lei
		Amount, th lei	Share, %	Amount, th lei	Share, %	
1.	Total Income	488 495	100%	465 990	100%	-22 505
1.1.	Interest and fee income	400 898	82%	365 169	78%	-35 729
1.2.	Penalties income other income	87 597	18%	100 821	22%	13 224

For 2025, considering the continuous adaptation to the country's economic situation as well as other challenges in the lending industry, management remains firmly convinced that the company must continue its path towards digitalization and the development of customer self-service solutions, and all balance sheet items must be fully operational.

Company Overview

ICM is a Non-Banking Credit Organization that provides consumer loans and personal finance services through it. ICM has a single founder – AS Iute Group (hereinafter, IG) headquartered in Tallinn, Estonia.

IG is responsible for the strategic management of ICM, which includes:

- strategic direction
- organizational structure and staffing of the Management Team
- framework rules for human resources and customer experience
- financial management framework rules
- sales and marketing framework rules
- technological development
- risk management, including credit product approval and the general compliance framework
- investor relations.

ICM implements the processes designed by IG and provides services to customers. Furthermore, ICM develops the business in the field of local competition in accordance with its strategic objectives, financing, and technology provided by IG. Ultimately, ICM consists of the local Team, local customers, local loan portfolios, and develops relationships with local investors, authorities, and partners.

ICM was registered in the State Register of Legal Entities on 06/05/2008, and on 03/25/2019 in the Register of Authorized Non-Banking Credit Organizations.

We aim to achieve speed and convenience in operations, including an instant response to any loan application submitted. Because we depend on our partners (banks, stores, post offices, telecommunications, and other associates), we continuously focus on finding new and innovative ways to be the fastest loan provider on the market.

Lending Activity

The company's loan products are unsecured consumer loans with maturities between 3 and 60 months. The average loan value exceeds 13,000 lei, while loan amounts range from 100 lei to 300,000 lei. The weighted average annual percentage rate is 33%, depending on the loan amount, maturity, and customer status (new or repeat customer with a good payment history).

The company aims to serve only customers with permanent employment and stable income. Credit analysis is based on personal identification and assessment of customers' ability to pay. For a new applicant, the credit rating depends on comparing the applicant's relevant parameters with the respective statistical parameters of high-performing and low-performing customer groups and certain databases. For repeat customers, we apply personal credit assessment, which is based on individual performance data. On average, 64% of loan applications within the company were approved.

Loans are managed through the company's own network of branches as well as through an external network of partners (such as stores, Payment Service providers, postal agencies). By the end of 2024, we had 12 branches, approximately 1200 offline partner stores and over 60 online stores. The company manages money only through bank accounts and through its own ATMs and does not perform cash transactions through the cash desk.

At the end of 2024, the company had over 512 thousand unique customers in its database.

The net loan portfolio (i.e., the balance of all receivables due from customers, adjusted for loan impairment provisions) is at the level of 1,082 million lei.

For 2024, the average maturity of disbursed loans is 28 months.

The Customer Performance Index (CPI) is an index used to measure actual customer repayments against expected repayments according to the original repayment schedules of loan contracts. During 2024 (and up to the date of the annual report), on average 90.6% of loan repayments were made according to the repayment schedules in the loan contracts or with a delay of up to 30 days (2023 - 90%).

Customer Service and Customer Satisfaction

Interaction.

The main objective of the ICM team is: "Serving customers at the highest level."

Each month, we analysed an average of 18 thousand loan applications. In total, in 2024, over 218 thousand applications were analysed (submitted by unique customers). In 2023, we received 208 thousand applications.

Monthly, we received approximately 17 thousand phone calls from customers. In total, in 2024, we recorded 208 thousand phone calls (compared to 230 thousand in 2023). This decrease is the result of the increasing use of the MyIUTE application and the digitalization of lending services.

Each month, we responded to approximately 8 thousand messages from customers and partners through various communication channels:

Monthly, we responded to approximately 8 thousand messages from our customers and partners, through various channels:

- Email: over 900;
- Facebook Messenger messages: over 400;
- Viber messages: 4150;
- Web/MY messages: over 1700;
- Partner Chat messages: over 500.
- Total 94,897 messages in 2024. (86,120 in 2023).

Customer Score.

The NPS was recorded at 88 (out of 100 maximum), which is the score given by customers for the quality of lute's services and service. We listen to our customers, evaluate every feedback, learn from them, and capitalize on information to drive continuous improvement. We analyse over 800 conversations per month. Based on the evaluation of listened telephone conversations, as well as the evaluation of branch activity, we develop a structured plan to improve our services, employee training programs, and training sessions. We organize competitions and apply incentives to motivate service teams. We promote a culture of learning through best practices.

Customers are served through the following channels:

- Call Center and Online Support available 7/7;
- 11 branches throughout the republic and Chisinau;
- The Mylute application for iOS and Android.

The Mylute application for iOS and Android offers the full range of ICM services: from submitting the application to digitally signing the contract and receiving the money, obtaining related certificates, refinancing, suspension, etc. We educate our customers to use the application, which at the end of 2024 had been downloaded by over 384 thousand customers (at the end of 2023, approximately 290 thousand customers had downloaded the application).

Credit in 5 minutes.

Simplified procedure for obtaining credit in just 5 minutes.

Quality.

ICM maintains quality at the highest level for years. The company has developed and implemented complex mechanisms such as:

- high-performance system for managing all customer contact channels;
- high-performance system for live monitoring of all company indicators;
- complex 360-degree process for checking and maintaining quality;
- continuous employee development strategy and a wide range of training courses;
- etc.

"The most important thing is to obsessively focus on the customer. It is our job every day to make every important aspect of the customer experience a little bit better."

Jeff Bezos

Social Responsibility and Environmental Protection

Social responsibility and environmental protection are important pillars in ICM's activity. The company is committed to being an active and responsible member of the community, contributing to the economic and social development of the Republic of Moldova.

ICM is a solid taxpayer, through:

- **Significant tax contributions:** ICM is an important contributor to the state budget, generating considerable revenue through taxes. In 2024, loans disbursed worth 1,835 million lei generated approximately 306 million lei in value-added tax (VAT) revenue from the sale of goods purchased with the help of the loans offered. This demonstrates the positive impact of ICM's lending activity on the local economy, stimulating consumption and economic growth.
- **Labor and income taxes:** In addition to VAT, the company declared approximately 43 million lei in labor and income taxes, contributing to the financing of public services and social programs.

We increase financial education

We continued the National Financial Education Campaign, launched in November 2019. In 2024, the educational video materials were translated and adapted into sign language to make the material accessible to disadvantaged children. The unique and first such Campaign ever launched in Moldova by a financial institution reached over half a million people through online and social media channels in 2024.

We reduce the impact on the environment

- We reduce the amount of paper we print and promote non-paper interaction channels with customers - Call Center, social networks, messengers, web, Mylute mobile application. We reduced the amount of printed paper for loan contracts and related documents by 60%. We also installed in ICM offices
- Bins for collecting used paper for subsequent recycling.
- We use LED lamps in all spaces and outdoor lighting and have stopped using plastic containers for lunch deliveries, replacing plastic with eco-friendly packaging.

Motivated employees

- We offer job and self-development opportunities to approximately 125 talented and motivated people.
- We offer our employees the opportunity to take English language courses and team training, professional challenges, and team competitions with attractive bonuses and gifts.
- We provide private health insurance for all ICM employees and, in addition, financial support for personal development

Human Resources Management and Efficiency

In 2024, ICM strengthened its efforts in optimizing human resources management, with the main objective of creating a high-performance, motivating, and flexible work environment in the face of industry changes. The company invested in team development, improving internal communication, and streamlining work processes to support employee professional growth and alignment with organizational goals.

At the end of 2024, the ICM team numbered 125 employees, compared to 130 in 2023. This change reflects the company's strategy to focus on optimizing and streamlining employee activity, rather than numerically increasing the team.

To improve communication between teams and management, the company launched the "Coffee with the CEO" initiative, offering employees the opportunity to interact directly with the CEO in an open setting designed to strengthen transparency and encourage the exchange of ideas. Also, to strengthen collaboration and team spirit, the company organized team-building sessions throughout the year, which facilitated the development of interpersonal relationships and improved collaboration between teams. At the same time, ICM encouraged employee involvement in social responsibility activities, organizing community campaigns and actions in which teams actively contributed, thus supporting the company's values and commitment to the community.

Continuous employee development remains a priority, and in 2024, the company implemented internal and external training programs to strengthen professional expertise and improve interpersonal skills. A relevant example is the training organized by the Combat Ready team, which provided practical tools for managing challenges and played an essential role in defining the company's new values and overall mission.

ICM continues to be a top employer, offering competitive salaries, above the industry average, and an attractive benefits package, which includes compensation for English language courses to align with the needs of the lute group, optional health insurance, and meal vouchers.

To support team retention and satisfaction, the company introduced a remote work policy in 2024, allowing for a hybrid work model that combines office activity with the ability to work remotely. This initiative contributes to ensuring a healthy balance between personal and professional life, having a positive impact on employee productivity.

Through all these measures, ICM strengthens its position as a top employer in the non-banking lending market in the Republic of Moldova, ensuring that human resources are perfectly aligned with the company's strategic objectives and contributing to its long-term sustainable success.

Risk Management

Risk management is a systematic process that aims to identify, assess, manage, monitor, and establish risk mitigation plans/actions, periodic review, monitoring, and assignment of responsibilities. Risk management aims to reduce the probability and impact of adverse events on the company, to maximize the company's resilience and long-term performance.

The risk management function is independent of the commercial function and focuses on the administration and control of the following risks: credit risk, currency risk, liquidity risk, operational risk, compliance risk, and reputational risk.

CREDIT RISK

Customer-related credit risk is defined as the risk of losses resulting from the potential failure to fulfill contractual payment obligations, associated with credit exposure to the customer. This is the most significant risk to which the company is exposed.

In terms of credit risk subcategories, default risk is the most significant. In this context, during 2024, due to the continuous monitoring of the loan portfolio's performance, ICM continued to strengthen customer selection principles. Thus, the lending parameters for certain customer categories were revised, the conditions for determining customer creditworthiness were modified, as well as for determining/forecasting payment capacity for the future period. Delinquency monitoring continued intensively throughout 2024, this process being complemented by updating the delinquent loan recovery strategy. To encourage customers to pay their debts, ICM granted some customers up to 100% reduction of calculated penalties. Thus, ICM also supports the idea that the company's profit is not based on penalty collections, but on sustainable partnership relations, mutually beneficial for both the company and its customers.

Following the implementation of these measures, the in-term default rate of loans continued to decrease, so that the performance index of customers who paid without delays increased to 75.3% in 2024, compared to 74.7% in 2023.

CURRENCY RISK

Currency risk represents the risk that exchange rate fluctuations will affect the company's revenues and capital adequacy.

The company operates in the national currency, being continuously exposed to currency risk because the loan portfolio is only in the national currency, while the sources attracted for its financing are mostly in foreign currency.

The cost of attracted resources represents the interest, related fees, and any costs associated with mitigating currency risk. In the context of the prohibitions imposed by Law no. 23/2020, by limiting the opportunities to attract funds, as well as the reluctance of the banking sector to finance non-banking credit organizations, these costs have increased over the past years (~10% - 16%), but ICM has fully assumed them without passing them on to its customers.

LIQUIDITY RISK

Liquidity risk in the narrowest sense (insolvency risk) represents the danger that the company will not be able to fulfill its current and future payment obligations in full or on time, which derive from relations with customers and partners.

The company's loan portfolio is the largest component of assets, and at the end of 2024, it recorded 1,207 million lei. The predominant part of the loan portfolio is short-term and medium-term exposures granted to individual customers.

OPERATIONAL RISK

Operational risk management is a distinct area in the overall risk management process within ICM. Processes related to operational risk management are integrated into day-to-day risk management, being implemented at all levels of the company and aligned with the complexity of the company's activity. The general objectives of the company's adopted approach to operational risk management are:

- Understanding the factors that trigger operational risks;
- Identifying critical aspects at an early stage;
- Assessing the impact of the materialization of operational risks in monetary, strategic, and reputational terms;
- Developing an action plan to reduce, and where possible, avoid losses caused by operational risks.

Both the tools and the operational risk management process are continuously improved, with alignment to the operational risk management framework at the group level, which uses the advanced approach.

COMPLIANCE RISK

Compliance risk is defined as the actual or potential risk of affecting the company's profits and capital, which may involve the application of fines, damages, and/or contract resolutions or which may affect the company's reputation, as a result of violations or non-compliance with the legal and regulatory framework, agreements, recommended practices, or ethical standards.

The level of compliance risk is determined based on the impact of a legislative change and/or the lack of compliance with a certain existing, new, or modified normative act in the area of tax legislation, non-banking lending, or consumer protection of financial services, personal data protection, or money laundering prevention and combating, etc. To reduce this risk, the company implements compliance programs, internal audits, and violation reporting systems. When assessing the risk level, not only the potential financial impact was taken into account, but also the non-financial impact (legal, operational, or reputational).

REPUTATIONAL RISK

Reputational risk represents an actual or future risk of affecting profits and capital or liquidity, determined by the unfavourable perception of the company's image by third parties, shareholders, investors, or supervisory authorities, being generated by internal or external events, such as: a large number of complaints and claims from customers, internal/external frauds publicized to the general

public, sanctions from supervisory and control authorities, or from the real or perceived association with people or companies with a negative reputation.

Within ICM, the activity of managing reputational risk is carried out on the following lines of action: regulating the area of activity and identifying, measuring, monitoring, and managing reputational risk.

Reputational risk is a priority for the company, which is why there is a continuous concern to make improvements in all aspects. The positive result of this priority was also outlined by the substantial decrease in customer complaints registered with the supervisory bodies of the non-banking lending sector.

In the current context of a complex regulatory framework, ICM continues to make efforts to adapt the IT architecture, as well as risk policies and procedures, to the new legislative requirements and market developments.

Investor Relations

The company secures its financing through a strategic combination of partnerships and access to capital markets. The company collaborates closely with local banks, local and international investors, obtaining loans when market conditions are favourable, while also considering currency risks. This diversification of funding sources contributes to ICM's financial stability and adaptability.

At the Group level, Iute Group (IG) has been listed on the Frankfurt Stock Exchange since 2019. This listing provides the company with access to capital raised from international markets, further diversifying funding sources and strengthening investor confidence in the company's solidity.

Iute Group adheres to the highest standards of transparency and communication with investors. The company publishes quarterly financial reports and ad-hoc reports, in accordance with stock market regulations, providing investors with up-to-date and relevant information about its performance. Before listing on the Frankfurt Stock Exchange, Iute Group organized a trans-European roadshow to meet with individual investors and present the company's strategy and prospects. This open communication policy continues after listing, in accordance with best market practices.

The company develops relationships with local banks, local and foreign investors, obtaining loans when interest rates are favourable, while also considering foreign exchange risks.

At the Group level, since 2019 IG has been listed on the Frankfurt Stock Exchange, quarterly reports are published, as well as ad-hoc versions in accordance with stock market regulations. Also, at the Group level, a trans-European roadshow was organized to meet individual investors before listing on the Frankfurt Stock Exchange and continues the open communication policy, according to best market practices.

The weighted average interest rate on the company's liabilities to investors was 13% per year in 2024, reflecting favourable conditions in the lending resources market for the company. This represents an improvement over the previous year. The amount of interest calculated to investors in 2024 was 87

million lei, compared to 93 million lei in 2023. The company fulfilled all its obligations to investors completely and without delays.

Corporate Governance

Corporate governance is a tool through which the increase of trust of all categories of participants in the management and administration of ICM is pursued and helps employees to know the corporate values that underlie its activity. ICM's internal governance model is aligned with the corporate governance practices of the Iute Credit Group.

The Group has a Code of Conduct which is mentioned in the Mission and Values document and in the Management Book, which includes the mission and core values - the goal being to create an extraordinary experience in financing individuals.

Aligning with the Group's principles, ICM is committed to adhering to the highest standard of business ethics, with a strong and qualified management team, clear management principles and governance practices based on transparency, accountability, ethics, and integrity. Employees are encouraged to report violations, with an anonymous reporting method available to maintain confidentiality and psychological comfort. Effective internal communication is established within the company. Corporate responsibility is traced through various policies, guidelines, and evaluation and feedback processes, such as the Management Book, the whistleblowing channel, customer satisfaction surveys, annual management team evaluation surveys, and employee satisfaction.

ICM relies on solid corporate governance that contributes to increasing the trust of investors, customers, improving financial performance and reducing legal or reputational risks. Non-banking credit organizations face the risk of violating legal or regulatory requirements or unethical behavior, and open corporate governance is essential to prevent such situations and to address them appropriately when they arise.

ICM is committed to conducting its business in compliance with all applicable laws, rules, and regulations and the highest ethical standards, having a categorical anti-corruption and anti-bribery stance.

Strategic Objectives for 2025

The company has set the following objectives for 2025:

- Over 75,000 performing customers with active loans in the database
- Over 2.2 billion MDL in loans granted
- Performing non-bank loan portfolio over 1.4 billion lei by 12/31/2025
- Revenues over 539 million lei
- New technological solutions to expand the range of financial services offered.

Note: During the year, the Company may adjust its objectives according to the economic situation.

3. Financial Statements

3.1 Balance Sheet

For the period January 1, 2024 – December 31, 2024

No.	ACTIVE	Code	Note	Balance at	
				At beginning of reporting period	At the end of reporting period
1	2	3		4	5
A.	FIXED ASSETS				
	I. Intangible assets				
	1. Intangible assets in progress	010			
	2. Intangible assets in operation, total	020		24 933	13 785
	of which:				
	2.1. concessions, licences and trademarks	021		13 331	11 926
	2.2. copyright and protective rights	022			
	2.3. software	023		11 602	1 859
	2.4. other intangible assets	024			
	3. Goodwill	030			
	4. Advances granted for intangible assets	040			
	Total intangible fixed assets	050	7	24 933	13 785
	(rd.010+rd.020+rd.030+rd.040)				
	II. Tangible fixed assets				
	1. Tangible fixed assets under construction	060		0	0
	2. Lands	070			
	3. Fixed Assets, total	080		1 663 467	1 054 194
	of which:	081			
	3.1. buildings	082		62 323	36 487
	3.2. special constructions	083		884 854	368 327
	3.2. machinery and technical installations	084		358 894	259 256
	3.3. means of transport	085		342 014	390 124
	3.4. inventory and furniture	086		15 382	
	3.5. other fixed assets	090			
	4. Mineral Resources	100			
	5. Immobilized biological assets	110			
	6. Real estate investments	120			
	Total tangible fixed assets (rd.060 + rd.070 + rd.080 + rd.090 + rd.100 + rd.110 + rd.120)	130	8	1 663 467	1 054 194
	III. Long-term financial investments				
	1. Long-term financial investments in unrelated parties	140			
	2. Long-term financial investments in affiliated parties, total	150			
	of which:	151			

2.1. shares and participating interests held in related parties	152			
2.2. loans to related parties	153			
2.3. loans granted in respect of participating interests	154			
Total long-term financial investments (rd.140 + rd.150)	160			
IV. Long-term receivables and other non-current assets				
1. Long-term trade receivables	170			
2. Long-term receivables from related parties including: claims relating to participating interests	180			
3. Other long-term receivables	190			
4. Anticipated long-term expenditure	200			
5. Other non-current assets	210			
Total long-term receivables and other non-current assets (rd.170 + rd.180 + rd.190 + rd.200 + rd.210)	220			
TOTAL FIXED ASSETS (rd.050 + rd.130 + rd.160 + rd.220)	230		1 688 400	1 067 979
B. CURRENT ASSET				
I. Stocks				
1. Materials and items of low value and short duration	240		381 584	91 577
2. Circulating biological assets	250			
2. Production in progress	260			
3. Products and goods	270			
4. Advances granted for stocks	280			
Total stocks (rd.240 + rd.250 + rd.260 + rd.270 + rd.280)	290	11	381 584	91 577
II. Current receivables and other current assets				
1. Current trade receivables	300			
2. Current related party claims including: claims relating to participating interests	310	10	20 176 831	
3. Budget claims	320	10	5 005 337	370 057
4. Staff claims	330	10	915	2 553
5. Other current receivables	340	10, 22	39 682 057	33 234 297
6. Current prepaid expenditure	350	12	85 339	43 465
7. Other current assets	360	12		
Total current receivables and other current assets (rd.300 + rd.310 + rd.320 + rd.330 + rd.340 + rd.350 + rd.360)	370	19	64 950 479	33 660 371
III. Current financial investments				
1. Current financial investments in unrelated parties	380	9, 16, 22	890 145 181	1 082 243 519
2. Current financial investments in affiliated parties, total	390			

of which:				
2.1. shares and equity interests held in related parties	391			
2.2. loans to related parties	392			
2.3. loans granted related to interests of participation	393			
2.4. other financial investments in related parties	394			
Total current financial investments (rd.380 + rd. 390)	400		890 145 181	1 082 243 519
IV. Cash and money documents	410	6, 19	111 529 930	55 632 438
TOTAL CURRENT ASSETS (rd.290 + rd.370 + rd.400 + rd.410)	420		1 067 007 174	1 171 627 905
TOTAL ASSETS (rd.230 + rd.420)	430		1 068 695 574	1 172 695 884
C. EQUITY				
I. Share capital and unregistered				
1. Share capital	440		4 358 768	4 358 768
2. Unpaid capital	450			
3. Unregistered capital	460			
4. Capital withdrawn	470			
5. Assets received from the State with right of ownership	480			
Total equity and unregistered capital (rd.440 + rd.450 + rd.460 + rd.470+ rd.480)	490		4 358 768	4 358 768
II. Premium Capital	500			
III. Reserves				
1. Reserve capital	510			
2. Statutory reserves	520		435 877	435 877
3. Other reserves	530			
Total reserves (rd.510 + rd.520 + rd.530)	540		435 877	435 877
IV. Profit (losses)				
1. Corrections to previous years' results	550	22	X	
2. Retained earnings (unappropriated loss) of previous years	560		356 714 783	334 277 018
3. Net profit (loss) for the reporting period	570		X	46 245 862
4. Profit used for the reporting period	580		X	
Total profit (losses) (rd.550 + rd.560 + rd.570 + rd.580)	590	13	356 714 783	380 522 880
V. Reserves from revaluation	600			
VI. Other elements of equity	610			
TOTAL EQUITY (rd.490+rd.500+rd.540+rd.590+rd.600+rd.610)	620		361 509 428	385 317 524
D. LONG-TERM LIABILITIES				
1. Long-term bank loans	630	14	71 341 202	107 366 877
2. Long-term loans, total	640	14, 19	340 356 841	253 103 958
of which:				
2.1. loans from bond issues	641			

including: convertible bond loans	642			
2.2. other long-term loans	643	14	340 356 841	253 103 958
3. Long-term trade payables	650			
4. Long-term liabilities to related parties	660			
including: liabilities relating to participating interests	661			
5. Long-term advances received	670			
6. Long term deferred income	680			
7. Other long-term liabilities	690			
TOTAL LONG-TERM LIABILITIES (rd.630 + rd.640 + rd.650 + rd.660 + rd.670 + rd.680 + rd.690)	700		411 698 043	360 470 834
E. CURRENT LIABILITIES				
1. Short-term bank loans	710	14	44 064 733	81 279 392
2. Short-term loans, total	720	14, 19	164 558 497	263 294 378
of which:	721			
2.1. loans from bond issues				
including: convertible bond loans	722			
2.2. other short-term loans	723	14	164 558 497	263 294 378
3. Current trade payables	730	15, 19	3 176 225	3 112 618
4. Liabilities to current related parties	740	15, 19	2 995 658	954 202
including: liabilities relating to participating interests	741			
5. Current advances received	750			
6. Debts to staff	760	15	1 602 712	1 584 682
7. Social and medical insurance debts	770	15	1 681 848	1 737 474
8. Debts to the budget	780	15, 22	1 951 477	2 705 436
9. Debts to owners	790			
10. Current prepaid income	800	15, 22	217 990	51 770
11. Other current liabilities	810	15, 19, 22	72 607 086	69 598 195
TOTAL CURRENT LIABILITIES (rd.710 + rd.720 + rd.730 + rd.740 + rd.750 + rd.760 + rd.770 + rd.780 + rd.790 + rd.800 + rd.810)	820		292 856 226	424 318 147
F. PROVISIONS				
1. Provisions for employee benefits	830		2 546 536	2 317 564
2. Provisions for guarantees granted to buyers/customers	840			
3. Provisions for taxes	850			
4. Other provisions	860		85 341	271 814
TOTAL PROVISIONS (rd.830 + rd.840 + rd.850 + rd.860)	870	16	2 631 877	2 589 378
TOTAL LIABILITIES (rd.620+rd.700+ rd.820 + rd.870)	880		1 068 695 574	1 172 695 884



3.2. Profit and Loss Statement as at 31.12.2024

Indicators	Code	Note	Reporting period	
			previous	current
1	2		3	4
Sales revenue, total	010	17, 22	488 495 061	465 989 906
of which:				
income from the sale of products and goods	011			284 650
revenue from the provision of services and the execution of works	012			
revenue from construction contracts	013			
income from leasing contracts	014			
income from microfinance contracts	015		488 495 061	465 705 256
other sales revenue	016		0	0
Cost of sales, total	020	18	92 532 309	87 618 337
of which:				
book value of products and goods sold	021			284 650
the cost of services rendered and work carried out for third parties	022			
construction contract costs	023			
leasing costs	024			
microfinance contract costs	025		92 532 309	87 333 687
other costs of sales	026		0	0
Gross profit (gross loss) (rd.010 – rd.020)	030		395 962 752	378 371 569
Other operating income	040	17	6 358 858	4 158 116
Distribution expenses	050	18	26 718 951	27 922 240
Administrative expenditure	060	18	225 613 385	214 511 047
Other operating expenditure	070	18	17 546 587	10 735 379
Result from operating activity: profit (loss) (rd.030 + rd.040 – rd.050 – rd.060 – rd.070)	080		132 442 687	129 361 019
Financial income, total	090	17	65 145 800	13 657 168
of which:				
income from participating interests	091			
including: income from related parties	092			
interest income:	093			
including: income from related parties	094			
income from other long-term financial investments	095			
including: income from related parties	096			
income related to value adjustments on long-term and current financial investments	097			
income from the disposal of financial investments	098			
income related to exchange rate and amount differences	099	17	65 109 800	13 633 168
Financial expenditure, total	100	18, 22	158 018 109	90 002 423

of which:	101			
interest expenses	102			
including: related party expenses	103			
expenditure on value adjustments on long-term and current financial investments	104			
expenditure relating to the outflow of financial investments	105	18	41 353 171	13 487 067
Result: financial profit (loss) (rd.090 – rd.100)	110		-92 872 309	-76 345 255
Income from fixed and exceptional assets	120	17	9 631	108 027
Expenditure on fixed and exceptional assets	130	18	66 984	98 076
The result from operations with fixed assets and exceptional, profit (loss) : (rd.120 –rd.130)	140		-57 353	9 951
Result from other activities: profit (loss) (rd.110 +rd.140)	150		-92 929 662	-76 335 304
Profit (loss) before tax (rd.080 + rd.150)	160		39 513 025	53 025 715
Income tax expenses	170	18	5 388 690	6 779 853
Net profit (loss) for the reporting period (rd.160 – rd.170)	180		34 124 335	46 245 862



3.3. Statement of Equity Changes
For the period January 1, 2024 – December 31, 2024

Nr.	Indicators	Code	Note	Balance at the beginning of the reporting period	Increases	Decreases	Balance at the end of the reporting period
1	2	3		4	5	6	7
	I. Share capital and unregistered						
	1. Share capital	010		4 358 768			4 358 768
	2. Unpaid capital	020					
	3. Unregistered capital	030					
	4. Capital delayed	040					
	5. Assets received from the State with right of ownership	050					
	Total share capital and unregistered (rd.010 + rd.020 + rd.030 + rd.040+ rd.050)	060		4 358 768			4 358 768
	II. Premium Capital	070					
	III. Reserves						
	1. Capital reserve	080					
	2. Statutory reserves	090		435 877			435 877
	3. Other reserves	100					
	Total reserves (rd.080 + rd.090 + rd.100)	110		435 877			435 877
	IV. Profit (losses)						
	1. Corrections of previous years' results	120	22	X			
	2. Retained earnings (uncovered loss) of previous years	130		356 714 783		22 437 766	334 277 018
	3. Net profit (net loss) of the management period	140		X	46 245 862		46 245 862
	4. Used profit of the management period	150		X			
	Total profit (losses) (rd.120 + rd.130 + rd.140 + rd.150)	160		356 714 783	46 245 862	22 437 766	380 522 879
	V. Reserves from revaluation	170					
	VI. Other elements of equity	180					

TOTAL EQUITY (rd.060 + rd.070 + rd.110 + rd.160 + rd.170 + rd.180)	190		361 509 428	46 245 862	22 437 766	385 317 524
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3.4. Cash Flow Statement
For the period January 1, 2024 – December 31, 2024

Indicators	Code	Reporting Period	
		previous	current
1	2	3	4
Cash flows from operating activity			
Sales revenue	010	1 596 334 259	1 680 991 637
Payments for stocks and services purchased	020	237 016 009	170 430 630
Payments to employees and social and medical insurance bodies	030	61 692 049	61 875 151
Interest paid	040	39 386 511	39 153 964
Payment of income tax	050	3 886 256	816 000
Other receipts	060	7 995 984	6 482 435
Other payments	070	1 241 312 529	1 498 460 772
Net cash flow from operating activities (rd.010 – rd.020 – rd.030 – rd.040 – rd.050 + rd.060 – rd.070)	080	21 036 887	-80 569 913
Cash flows from investing activities			
Proceeds from sale of fixed assets	090	0	0
Payments related to fixed asset entries	100	0	0
Interest received	110		
Dividends received	120		
including: dividends received from abroad	121		
Other receipts (payments)	130		
Net cash flow from investing activities (rd.090 – rd.100 + rd.110 + rd.120 ± rd.130)	140	0	0
Cash flows from financial activity			
Receipts in the form of credits and loans	150	446 802 599	358 778 166
Payments related to the repayment of loans and borrowings	160	432 810 974	308 947 471
Dividends paid	170	0	21 091 500
including: dividends paid to non-residents	171	0	21 091 500
Proceeds from capital operations	180		
Other receipts (payments)	190	642 951	537 659
Net cash flow from financial activities (rd.150 – rd.160 – rd.170 + rd.180 ± rd.190)	200	14 634 576	26 584 322
Total net cash flow (± rd.080 ± rd.140 ± rd.200)	210	35 671 465	-53 985 591
Favourable (unfavourable) exchange rate differences	220	-3 974 164	-1 911 901
Cash balance at the beginning of the reporting period	230	79 832 631	111 529 930
Cash balance at the end of the reporting period (± rd.210 ± rd.220 + rd.230)	240	111 529 930	55 632 438



4. General Information

The Non-Banking Credit Organization "IUTE CREDIT" SRL (hereinafter "ICM") was registered on 06/05/2008, registration certificate series MD number 0083113, issued by the Public Services Agency. The company's share capital amounts to 4,358,768 lei.

According to the statute, ICM can carry out activities such as: non-banking lending, other financial intermediation n.e.c., financial leasing, bancassurance agent activity. Until the reporting date, ICM has carried out non-banking lending activities to individuals and bancassurance activities to citizens of the Republic of Moldova.

ICM's legal address is bd. Ștefan cel Mare și Sfânt 182, 5th floor, Chisinau, Republic of Moldova. This is also ICM's head office. At the same time, during 2024, the company had 12 secondary offices open in Chisinau and other localities in the Republic of Moldova, and as of 12/31/2024, 11 secondary offices were registered. These play an essential role in the company's success, by promoting loan products to customers and serving them. The list of secondary offices as of 12/31/2024:

Secondary Office	Address
Chișinău (Ciocana)	Chișinău, 17/3 Ginta Latină st.
Chișinău (Buiucani)	Chișinău, 3/2 Calea Ieșilor st.
Chișinău (Centru)	Chișinău, 86/4 Ismail st.
Cahul	Cahul, 20/14 Prospectul Republicii st.
Bălți	Bălți, 48 Ștefan cel Mare și Sfânt st.
Comrat	Comrat, 73 Pobeda st.
Edineț	Edineț, 100 Independenței st.
Hîncești	Hîncești, 8/B Chișinăului st.
Orhei	Orhei, 21/15 Vasile Lupu st.
Soroca	Soroca, 33A Ștefan cel Mare st.
Ungheni	Ungheni, 15 Națională st

The number of employees as of Dec, 31, 2024 was 125 people, including by categories: administrative staff - 18 people; staff engaged in customer service and service provision - 107 people.

The average number of employees on the payroll during the reporting period is 124 people.

According to the Law on Accounting and Financial Reporting no. 287/2017 art. 4 para. (4)-(7) and NAS "Presentation of Financial Statements", ICM is classified as a medium-sized entity and will present complete financial statements.

5. Accounting Policies

The financial statements are prepared in accordance with the provisions of the Laws, National Accounting Standards and Regulations approved by the Ministry of Finance of the Republic of Moldova, the National Commission for the Financial Market and the National Bank of Moldova. Deviations from the general principles and qualitative characteristics provided in the aforementioned norms have not been committed.

ICM's accounting policies are prepared based on:

- Law on Accounting and Financial Reporting no. 287 of December 15, 2017;
- Law on non-banking credit organizations no. 1 of March 16, 2018;
- National Accounting Standards and the National Chart of Accounts approved by the Ministry of Finance of the Republic of Moldova on August 6, 2013, and the main amendments made to the NAS approved by the Order of the Minister of Finance no. 48 of 03/12/2019;
- Other legislative and normative acts, issued by the National Commission for the Financial Market, the National Bank of Moldova and other state institutions, taking into account subsequent amendments.

ICM's accounting records are kept in Romanian and the national currency of the Republic of Moldova - the Moldovan leu (MDL). The accounting of economic facts performed in foreign currency is kept both in national currency and in foreign currency, according to the National Accounting Standards. ICM uses double-entry accounting, which represents the registration of economic facts through double registration, with the application of accounting accounts and the preparation of financial statements, using computerized techniques and the "1C-Enterprise" accounting program. The reporting period coincides with the calendar year.

Economic transactions are completed through forms - standardized primary documents approved by the Ministry of Finance and other public authorities, as well as forms developed by the company independently approved by management.

The inventory of assets is performed once a year at the initiation of management in the manner established by the Inventory Regulation, developed and approved by the Ministry of Finance no later than December 31.

The elements of the financial statements are determined based on the following methods and procedures, provided in the accounting policies approved by the order of the entity's director no. 692/2 of December 26, 2023.

5.1 Going Concern

ICM management has performed an assessment of its ability to continue as a going concern, finding it satisfactory and with sufficient resources for good continuation in the near future. In addition, management does not have information of significant uncertainties that could cast significant doubt on the company's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

5.2 Currency of Reporting

The financial statements are presented in Moldovan lei (MDL), which is the company's functional and reporting currency. Foreign currency transactions are converted into the functional currency using the official exchange rates of the National Bank of the Republic of Moldova at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at exchange rates of monetary assets and liabilities expressed in foreign currency are recognized in the profit and loss account. Conversion differences of non-monetary items, such as investments in equity classified as financial assets available for sale, are included in the fair value reserve in equity.

Monetary items in foreign currency (cash, receivables and payables, excluding advances granted and received for purchases/deliveries of assets and services, financial investments, excluding shares and quotas) are recalculated into national currency monthly using the official exchange rate from the last date of the reporting month.

The main exchange rates used in the preparation of the company's financial statements were as follows:

Reporting date	EUR	USD
31 December 2023	19,3574	17,4062
31 December 2024	19,3106	18.4791

Official average rates	EUR	USD
2023	19,6431	18,1607
2024	19.2533	17.7918

5.3 Cash and Cash Equivalents

Cash and cash equivalent balances in the cash register and current accounts are reflected in the financial statements at nominal value.

5.4 Intangible and Tangible Assets

Intangible and tangible assets are initially recognized as items of evidence whose nomenclature is established by the company's manager at the acquisition cost. Depreciation of intangible and tangible assets is calculated using the straight-line method starting from the first day of the month following the month of their commissioning.

The composition of fixed assets includes tangible assets put into operation, the value of which exceeds the threshold established by legislation. The transfer of tangible asset items to subdivisions was carried out at acquisition cost. The costs of disposal of tangible assets were recorded as current expenses.

Subsequent costs related to the maintenance and repair of intangible and tangible assets are incurred to keep them in working order. These costs are reflected as current costs/expenses.

5.5 Receivables and Financial Investments

ICM independently establishes the terms of providing non-banking lending services, according to the approved Policies and Regulations, which are stipulated in the non-banking loan contract. Non-banking loans are granted in the national currency (MDL). Non-banking loans granted are accounted for as short-term financial investments, being divided according to the purpose of granting non-banking loans (consumer non-banking loans). Non-banking loans granted and receivables related to accrued interest receivable are measured at nominal value. Late interest and penalties related to non-banking loans granted are recognized as income only when there is reasonable certainty that they will be collected or at the time of their collection.

Compromised trade receivables are written off to the expenses of the current reporting period following the annual inventory using the direct method.

5.6 Other Assets

Inventory accounting was kept by subdivisions in quantitative and value terms. Received inventories are reflected in the financial statements at their acquisition cost. Materials consumed in the provision of services are included in the cost of services. Imported inventories are valued in Moldovan lei by recalculating the foreign currency at the BNM exchange rate established on the date of the customs declaration. The value of tires and batteries purchased separately from means of transport was written off to current costs/expenses in full, with a decrease in inventory. Goods with an insignificant share are recorded in inventory accounts upon acquisition and are written off to current costs and/or expenses upon their transfer to use. The net realizable value of inventories is determined at the reporting date using the inventory item method.

The composition of low-value and short-lived items includes goods whose unit value does not exceed the threshold established by legislation. Low-value and short-lived items, whose unit value does not

exceed the threshold established by legislation, are written off to current costs/expenses at the time of their transfer to use.

Current prepaid expenses include: special regime forms, insurance and technical inspection of means of transport, press subscription, domain maintenance, and other costs incurred in the current period but related to future periods. Prepaid expenses are written off to current costs/expenses using the straight-line method, uniformly by type of item in the period to which they relate.

5.7 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are recognized in accordance with the internal regulations and comply with the requirements of the National Commission for Financial Markets, "Regulation on the classification of assets by non-banking credit organizations", approved by decision no. 60/4 of 16.12.2019. During 2024, ICM's non-banking loan portfolio was tested monthly for provisioning purposes. Created provisions were accounted for in expense accounts, their reversal was accounted for in revenue accounts.

5.8 Financial Liabilities

Financial liabilities include liabilities related to: loans and borrowings received for a fixed term and for a specific payment (interest). Liabilities related to the principal are recognized upon receipt of loans and borrowings and are recorded either as an increase in cash or other assets, or as a decrease in the respective liabilities concurrently with an increase in long-term or current liabilities. Liabilities related to interest are recognized upon their accrual according to contractual terms and are recorded as an increase in current expenses or the value of assets with a long production cycle and an increase in liabilities.

Long-term and short-term liabilities are reflected in the balance sheet at the amounts that are to be paid.

5.9 Other Liabilities

The company does not create provisions to cover potential expenses (losses) regarding the repair and servicing during the warranty period of sold assets.

According to NAS, the company creates provisions for employee benefits - namely provisions for unused leave, which are accounted for annually at the end of the financial year, and other provisions arising from the respective category of balance sheet provisions.

ICM applies the general taxation regime with the payment of tax on taxable income. Expenses regarding income tax are accounted for based on the current income tax method. The income tax rate from entrepreneurial activity for 2024 is equal to 12%.

5.10 Revenues

Sales revenues include revenues from non-banking loan contracts in the form of:

- a) *primary revenues*: interest, fee related to the non-banking loan contract, administration fee, guarantee fee;
- b) *secondary revenues*: penalties – daily late interest, penalty for the first notification, penalty for the second notification, penalty for preventing the termination of the non-banking loan contract, penalty for the termination notification of the non-banking loan contract, monthly rate suspension fee.
- c) *other revenues*: overpayments related to non-banking loan contracts with expired statute of limitations, commission for non-banking loan insurance, other financial revenues.

Sales revenues are recognized separately for each transaction. Revenues from the provision of services are recognized using the completed-contract method. Current revenue adjustments during the reporting period were made by preparing storno and supplementary accounting entries.

Revenues are recognized and reflected in the financial statements as follows:

- for *primary revenues*: "accrual method" in the period in which they occurred, regardless of when cash and other forms of compensation are received or paid.
- for *secondary revenues*: "cash method" in the period in which cash and other forms of compensation were received.

Interest income is recognized based on contractual terms as payment terms of interest established in the contract concluded between the company and the customer occur. Revenue adjustment during the reporting period is made by preparing storno accounting entries in the credit of revenue accounts. Revenues and results are reflected in the financial performance report separately by type of company activity.

5.11 Expenses

The cost of sales includes the cost of services rendered, other expenses correlated with sales revenues, namely services related to loan contracts, expenses related to interest paid for received loans/credits. Current expense adjustments during the reporting period are made by preparing storno accounting entries in the debit of expense accounts.

5.12 Related Parties

A related party is considered: an entity that directly or indirectly controls another entity; an associate entity – an entity in which another entity has significant influence over financial and operational policies but which is neither a subsidiary nor a participant in a joint venture; a subsidiary – an entity controlled by the parent entity; partners in a civil society; an entity that is controlled or jointly controlled by an

individual and/or a close family member of that person (such as: parents, spouse and their children); an individual or a close family member thereof (parents, spouse and their children) who has significant influence over the entity or is part of the key management personnel of the entity (for example, a member of the entity's Board, executive body, audit committee or other governing bodies) and thus participates in the management of the entity's financial and operational policies.

6. Cash and cash equivalents

	31.12.2023	31.12.2024
	MDL	MDL
Cash and bank accounts		
Bank accounts	99 214 253	42 524 130
Cash in ATMs	7 826 160	6 582 140
Cash in transit	4 444 260	6 508 710
Cash on hand	37 457	17 457
Other cash and cash equivalents	7 800	0
Total	111 529 930	55 632 438

Bank account balances	MDL	EUR	Total
Status as of 31.12.2024			
BC Moldova Agroindbank SA	1 423 805	0	1 423 805
BC Moldindconbank SA	2 433 210	31 334 456	33 767 665
BC Victoriabank SA	2 836 816	2 898 482	5 735 298
BC Eximbank SA	91 112	0	91 112
BC Energbank SA	1 506 250	0	1 506 250
Total	8 291 192	34 232 938	42 524 130

Bank account balances	MDL	EUR	Total
Status as of 31.12.2023			
BC Moldova Agroindbank SA	2 261 218	0	2 261 218
BC Moldindconbank SA	32 744 832	43 190 878	75 935 710
BC Victoriabank SA	14 364 779	5 998 828	20 363 607
BC Eximbank SA	100 514	0	100 514
BC Energbank SA	553 203	0	553 203
Total	50 024 547	49 189 706	99 214 253

During the reporting period, ICM, through its own ATM network, offered customers the possibility to withdraw the value of the granted loan. At the same time, ICM has its own system for continuous monitoring and verification of the available banknotes in ATMs. The services of transportation, loading,

and counting of banknotes loaded/withdrawn in/from ATMs are outsourced, and the process is documented for each operation by the external company and confirmed by ICM's information system, thus ensuring continuous banknote tracking.

7. Intangible assets

	2023 MDL	2024 MDL
<i>Cost of entry</i>		
At the beginning of the reporting period	6 527 578	6 527 578
Entries	0	0
Derecognition and cancellations	0	-40 783
At the end of the reporting period	6 527 578	6 486 795
<i>Depreciation and amortization</i>		
At the beginning of the reporting period	-6 364 866	-6 502 645
Accumulated depreciation	-137 779	-11 148
Derecognition and cancellations	0	40 783
At the end of the reporting period	-6 502 645	-6 473 010
Balance sheet value on 31 December	24 933	13 785

Intangible assets represent software and computer licenses. As of December 31, 2024, the cost of fully amortized intangible assets was 6,432,514 MDL (as of December 31, 2023: 6,248,454 MDL).

8. Tangible assets

	2023 MDL	2024 MDL
<i>Cost of entry</i>		
At the beginning of the reporting period	10 536 747	9 985 410
Entries	130 379	422 738
Derecognition and cancellations	-681 716	-958 148
At the end of the reporting period	9 985 410	9 450 000
<i>Depreciation and amortization</i>		
At the beginning of the reporting period	-7 231 170	-8 321 943
Accumulated depreciation	-1 720 337	-933 935
Derecognition and cancellations	629 564	860 072
At the end of the reporting period	-8 321 943	-8 395 806
Balance sheet value on 31 December	1 663 467	1 054 194

As of December 31, 2024, the cost of fully amortized tangible assets was 6,950,679 MDL (as of December 31, 2023: 5,082,763 MDL).

The company does not have tangible assets pledged, mortgaged, or granted as collateral for certain debts, nor assets received under leasing. During the reporting period, there were no indications of asset impairment.

During the reporting period, ICM incurred costs for the repair of leased premises in the total amount of 125,130 MDL, recognized as expenses of the period.

9. Financial investments

Non-banking loans are granted in Moldovan lei (MDL) to individuals based on non-banking loan contracts. As of 12/31/2024, ICM recorded the number of active non-banking loans in the amount of approximately 86.5 thousand loans, and the number of beneficiaries in the amount of approximately 75 thousand people. All loans are consumer loans with or without collateral, and the maximum exposure amount as of 12/31/2024 was 300 thousand MDL.

Portfolio Net	31.12.2023	31.12.2024
	MDL	MDL
Gross portfolio	1 056 449 431	1 207 170 273
Provisions	-166 304 249	-124 926 755
Portfolio Net	890 145 181	1 082 243 519

10. Other Current Receivables

The carrying amount of other current receivables at the beginning and end of the reporting period is presented below:

	31.12.2023	31.12.2024
Other current receivables	MDL	MDL
Claims calculated related to credit agreements	27 296 907	22 794 186
Receivables regarding loan collections through partners and banks	11 564 915	9 756 944
Other receivables	820 235	683 167
Total	39 682 057	33 234 297

During the reporting period, no compromised trade receivables were recorded. At the end of the reporting period, guarantees received from non-banking loan contracts were recorded in the amount of 13,537,506 MDL.

11. Inventories

Information regarding inventories for the year 2024, in the context of the provisions of NAS "Inventories", is presented in the table below:

Types of stocks,, MDL	Materials	Items of low value and short duration	Goods	Total
<i>Cost of entry</i>				
At the beginning of the reporting period	381 584	2 953 962	0	3 335 546
Entries	1 613 798	375 914	0	1 989 712
Outputs	-1 903 805	-384 532	0	-2 288 337
At the end of the reporting period	91 577	2 945 344	0	3 036 921
<i>Depreciation and amortization</i>				
At the beginning of the reporting period	0	2 953 962	0	2 953 962
Accumulated depreciation	0	375 914	0	375 914
Derecognition and cancellations	0	384 532	0	384 532
At the end of the reporting period	0	2 945 344	0	2 945 344
Balance sheet value 31.12.2024	91 577	0	0	91 577

12. Other assets

	31.12.2023 MDL	31.12.2024 MDL
Current deferred expenses	85 339	53 465
Other current assets	0	0
Total	85 339	53 465

In the composition of current prepaid expenses, ICM includes subscriptions for specialized periodicals, the value of mandatory and CASCO insurance premiums for its own cars, the value of employees' optional medical policies, contributions to employers' associations, and other expenses with a settlement term of up to 12 months.

13. Equity

ICM has the only partner that holds the maximum share in the share capital of ASI IUTE GROUP, ESTONIA - 4,358,768 lei (100%).

	2023 MDL	2024 MDL
Retained earnings (unappropriated loss) at the beginning of the period	344 914 752	356 714 783
Corrections to previous years' result recorded	-22 324 304	0
Distributed dividend	0	22 437 766
Recorded result of the management period	34 124 335	46 245 862
Total	356 714 783	380 522 879

By decision of the sole associate, during the reporting period, dividends were distributed in the amount of 22,437,766 MDL.

14. Financial liabilities

Balances as of 31.12.2024	EUR	USD	MDL	Total
Loans form affiliated persons:	135 174 221	0	40 000 000	175 174 221
Short-term loans, of which:	135 174 221	0	4 000 000	139 174 221
Associate	135 174 221	0	0	135 174 221
Bank loans	0	0	4 000 000	4 000 000
Long-term loans, of which:	0	0	36 000 000	36 000 000
Associate	0	0	0	0
Bank loans	0	0	36 000 000	36 000 000
Loans form non-affiliated persons:	294 597 617	728 144	229 353 427	524 679 189
Short-term loans, of which:	64 532 660	728 144	134 947 551	200 208 354
Bank loans	0	0	76 818 298	76 818 298
Non-resident loans	61 933 035	0	0	61 933 035
Resident loans	2 599 625	728 144	58 129 253	61 457 021
Long-term loans, of which	230 064 958	0	94 405 877	324 470 834

Bank loans	0	0	71 366 877	71 366 877
Non-resident loans	230 064 958	0	0	230 064 958
Resident loans	0	0	23 039 000	23 039 000
Unpaid interest balance	3 545 961	4 312	1 640 921	5 191 194
Total	433 317 800	732 456	270 994 349	705 044 604

Balances as of 31.12.20243	EUR	USD	MDL	Total
Loans form affiliated persons:	96 787 021	0	0	96 787 021
Short-term loans, of which:	96 787 021	0	0	96 787 021
Associate	96 787 021	0	0	96 787 021
Bank loans	0	0	0	0
Long-term loans, of which:	0	0	0	0
Associate	0	0	0	0
Bank loans	0	0	0	0
Loans form non-affiliated persons:	312 911 595	728 144	192 174 656	505 814 395
Short-term loans, of which:	50 351 151	0	43 765 201	94 116 352
Bank loans	0	0	43 765 201	43 765 201
Non-resident loans	50 351 151	0	0	50 351 151
Resident loans	0	0	0	0
Long-term loans, of which	262 560 444	728 144	148 409 455	411 698 043
Bank loans	0	0	71 341 202	71 341 202
Non-resident loans	259 960 819	0	0	259 960 819
Resident loans	2 599 625	728 144	77 068 253	80 396 021
Unpaid interest balance	3 557 424	4 062	1 039 474	4 600 959
Other financial liabilities	13 118 897	0	0	13 118 897
Total	426 374 937	732 206	193 214 130	620 321 273

At the reporting date, ICM did not record any debts with a payment term exceeding 5 years. As of 31.12.2024, ICM recorded the total value of debts covered by guarantees, which amounted to 449,571 thousand MDL, and the book value of assets deposited as guarantees to cover debts amounted to 569,121 thousand MDL. At the same time, the company's assets are offered as collateral for the bond issue carried out by the sole associate IUTE GROUP AS and which constitute the present and future unsecured receivables in favor of other creditors, as well as a pledge on bank accounts.

15. Other current liabilities

	31.12.2023	31.12.2024
	MDL	MDL
Other current liabilities		
Payables to customers	71 067 481	54 483 392
Payables to related parties regarding financial guarantees	0	8 287 621
Other current liabilities	1 539 606	6 827 182
TOTAL	72 607 086	69 598 195

"Other liabilities" contain economic transactions related to customer overpayments/incorrect payments as well as liabilities to the supervisory body for the supervision fee calculated for Q4-2024.

"Debts to customers" includes the amount of debts regarding loans payable to individuals and those through partner stores, as well as amounts paid in advance by customers to cover future loan installments.

As of December 31, 2024, ICM's balance sheet does not contain any obligations from lease agreements for the rental of secondary offices through which ICM carries out its lending activity. The annual amount of the lease payments is stipulated in explanatory note 18. At the same time, at the end of the management year, the lease agreement at the address of Briceni, Mihai Eminescu Street 17/G no. 1 (Briceni secondary office) was terminated.

During the Y2024, debts with an expired statute of limitations were settled against current income in a total amount of 14,880 MDL.

16. Provisions

ICM calculates provisions for asset losses in accordance with the "Regulation on the classification of assets by non-bank lending organizations" No. 60/4 of 16.12.2019 (hereinafter referred to as the CNPF Regulation). During the management period, provisions were calculated and used as follows:

	2023, MDL	2024, MDL
Provisions for loan losses		
At the beginning of the reporting period	173 900 583	166 304 249
Increases	116 664 938	76 515 357
Decreases, of which:	-124 261 272	-117 892 851
- use for expired credits	-123 745 846	-117 892 851
- Other adjustments	-515 426	0
At the end of the reporting period	166 304 249	124 926 755

According to the CNPF Regulation, ICM classifies its assets for supervision purposes as follows:

MDL

31.12.2024 Category of credit/ Debt	Non-bank loans			Interest	Provision
	Total	Guaranteed	Not guaranteed		
Standard	568 106 782	2 384 096	565 722 685	6 539 064	11 492 917
Supervised	533 346 274	311 051	533 035 222	10 585 036	27 196 565
Substandard	27 762 719	124 360	27 638 359	1 427 285	8 757 001
Doubtful	11 143 345	277 801	10 865 543	649 229	7 075 544
Compromised	66 811 155	8 979	66 802 176	3 593 572	70 404 727
Total	1 207 170 273	3 106 288	1 204 063 986	22 794 186	124 926 755

31.12.2023 Category of credit/ Debt	Non-bank loans			Interest	Provision
	Total	Guarantee d	Not guaranteed		
Standard	436 013 356	9 663 394	426 349 962	6 429 307	8 848 583
Supervised	471 019 997	500 175	470 519 822	11 030 139	24 102 507
Substandard	26 287 286	557 958	25 729 328	1 766 704	8 416 197
Doubtful	14 521 078	485 527	14 035 551	1 113 665	9 380 846
Compromised	108 607 714	4 790	108 602 924	6 957 091	115 556 116
Total	1 056 449 431	11 211 844	1 045 237 587	27 296 906	166 304 249

In addition to loan provisions, in 2024, ICM also established and used other provisions, the balances and increases/decreases of which are:

Provision type, MDL	Unused vacation	Other provisions	Total
At the beginning of the reporting period	2 546 536	85 341	2 631 877
Increases	0	954 914	954 914
Decreases	- 228 972	-768 441	-997 413
At the end of the reporting period	2 317 564	271 814	2 589 378

"Other provisions" include provisions established for expenses related to the intermediation services of partners.

Note: As of December 31, 2024, the balance of provisions for unused vacations is disclosed in a separate position, namely in Annex 3.1, line 830.

17. Income

Types of income, MDL	2023	2024
Revenue form sales, of which,	488 495 061	465 989 906
Interest and commission income	400 898 387	365 169 162
Penalty income	65 212 365	71 135 573
Other income	22 384 309	29 685 170
Other operating income	1 794 035	4 158 116
Income from fixed and exceptional assets	9 631	108 027
Income from exchange rate and amount differences	69 674 623	13 633 168
Other financial income	36 000	24 000
TOTAL	560 009 350	483 913 217

During 2024, the company benefited from subsidies, namely:

Subsidies type	2024 MDL
Subsidies for the creation of jobs for people with disabilities	24 000
TOTAL	24 000

On December 31, 2024 as well as on December 31, 2023, the accounting value of the subsidies amounted to 0 MDL.

18. Expenses

Types of expenses, MDL	2023	2024
Cost of sales, of which,	92 532 309	87 333 687
Interest expenses	92 532 309	87 333 687
Distribution expenses	26 718 951	27 922 240
Administrative expenses, of which,	225 613 385	214 511 047
Personnel remuneration expenses	59 916 793	60 268 926
Depreciation and amortization expenses	1 858 116	945 082
Tax expenses	35 153	27 042
Other administrative expenses	163 803 322	153 269 996
Other operating expenses, of which,	17 546 587	10 735 378
Rent expenses	7 007 548	6 056 045
Other operating expenses	10 539 039	4 679 333
Expenses with fixed and exceptional assets	66 983	98 076

Financial expenses, of which	158 018 109	90 002 423
Expenses on provisioning of non-bank loans	116 664 938	76 515 357
Expenses related to exchange rate and amount differences	41 353 171	13 487 067
Income tax expenses	5 388 690	6 779 853
TOTAL	525 885 014	437 667 355

The category "Other administrative expenses" includes expenses related to office supplies, primary document forms and other consumables; - expenses for guarding administrative objects and ensuring their fire safety; - expenses related to delegating administrative personnel; - protocol expenses (representation); - expenses incurred for philanthropic and sponsorship purposes; - expenses related to insuring administrative personnel and goods for administrative purposes; - the cost of banking and consulting services; - expenses related to the training and professional development of administrative personnel; subscription to special editions (newspapers, magazines, etc.), - expenses related to the labor protection of administrative personnel; - court costs and related state taxes; - other administrative expenses.

19. The value of accounting items expressed in foreign currency

Groups of elements, MDL	EUR	USD	MDL	Total
Situation as of 31.12.2024				
Current receivables and other current assets	375 680	0	33 284 691	33 660 371
Cash and monetary documents	34 232 938	0	21 399 500	55 632 438
Long-term loans and borrowings	230 064 958	0	23 039 000	253 103 958
Short-term loans and borrowings	203 252 842	732 456	59 309 080	263 294 378
Current liabilities of affiliated parties	954 202	0	0	954 202
Current trade payables	0	0	3 112 618	3 112 618
Other current liabilities	14 391 516	0	55 206 679	69 598 195

Groups of elements, MDL	EUR	USD	MDL	Total
Situation as of 31.12.2023				
Current receivables and other current assets	20 222 865	0	44 727 615	64 950 480
Cash and monetary documents	49 189 706	0	62 340 224	111 529 930
Long-term loans and borrowings	262 560 444	728 144	77 068 253	340 356 841
Short-term loans and borrowings	163 814 493	4 062	739 942	164 558 497

Current liabilities of affiliated parties	2 995 658	0	0	2 995 658
Current trade payables	0	0	3 176 225	3 176 225
Other current liabilities	0	0	72 607 086	72 607 086

As of 31.12.2024, the company has in conventional units and/or foreign currency loan agreements signed with non-resident investors, resident investors, as well as with its sole associate. It also has rental agreements, consultancy agreements, financial guarantee agreements and a deposit agreement that serves as collateral for bank loans contracted from a local commercial bank.

20. Subsequent events

ICM's management believes that there are no subsequent events that would have a significant impact on ICM's business and these financial statements.

21. Related parties

The main associate of ICM with 100% of the shares is AS IUTE GROUP, registered in Estonia.

Starting from January 1, 2024, the transfer pricing principle approved by the Order of the Minister of Finance No. 9 of January 26, 2024, was introduced into the tax legislation of the Republic of Moldova, which establishes the value of transactions between the components of a group of companies. The transfer pricing principle assumes that operations between affiliated parties, called controlled transactions, are made at the same price as transactions between unaffiliated companies. The so-called arm's length principle is applied. Its logic is as follows: affiliated parties, being close, tend to "hug each other". The "arm's length" principle establishes that the same relationships as between two strangers (independent parties) must be maintained between related parties, reducing the interaction within a transaction to a handshake and thus remaining at arm's length. Taking into account the above, ICM is subject to transfer pricing legislation by preparing a transfer pricing file.

ICM's management has not identified significant transfer pricing risks, as the company's main income and expenses are related to lending activities. Transactions carried out with the company's associate are related to loan rates and financial guarantees provided in the normal course of business and are valued at market prices. Management believes that there are no significant price and tax risks arising from transactions between the shareholder and ICM.

Transactions are concluded with related parties in the normal course of business. The volume of transactions with affiliated parties, outstanding balances at the end of the year and the related income and expenses for the year are presented as follows:

Transaction type, MDL	At the beginning of the reporting period	Increases	Decreases	Rate fluctuation	At the end of the reporting period
Related party loan	96 787 021	67 587 550	29 117 000	-83 350	135 174 221
Interest balance on loan	926 404	14 605 292	14 258 096	12 677	1 286 277
Payables to related parties	2 995 658	123 234 875	117 245 412	256 702	9 241 823
Receivables from related parties	20 176 831	218 664	20 395 495	0	0

22. Profit distribution proposal

ICM management proposes to the sole associate to allocate the profit of the reported result, as follows:

Company Profit for 2024	MDL
Profit 2024	46 245 862
Dividend distribution	20 000 000
Balance of retained earnings after allocations	26 245 862

20 Martie 2025

Natalia RUSU
Chief Financial Officer




Sergiu SOBULEAC
ADMINISTRATOR

