

IUTECREDIT FINANCE S.A R.L.

Unaudited half year report 2021

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2. General information and contacts

Address:	14, rue Edward Steichen L-2540 Luxembourg Grand Duchy of Luxembourg
Registry code:	B234678
Main activity:	Holding company
Reporting period:	01 January 2021 – 30 June 2021

3. Management report for unaudited half year report 2021

Executive overview

luteCredit Finance S.à r.l. (hereinafter "the Company") started its business activity in May 2019. The Company`s main business activity is acting as a financing intermediary for parent company - luteCredit Europe AS.

luteCredit Europe AS is a holding company which issues consumer credits and offers personal finance services via its 100% owned operating subsidiaries in local markets where the subsidiaries are operating. As of 30 June 2021, luteCredit Europe AS had in addition to the Company, seven operating subsidiaries:

1. ICS OMF luteCredit SRL (ICM) in Moldova,
2. luteCredit Albania SHA (ICA) in Albania,
3. VeloxPay Albania SH.P.K (VeloxPay Albania) in Albania,
4. luteCredit Macedonia DOOEL-Skopje (ICMK) in North Macedonia,
5. lutePay Bulgaria EOOD (lutePay Bulgaria) in Bulgaria,
6. luteCredit Bulgaria EOOD (ICBG) in Bulgaria,
7. MKD luteCredit BH d.o.o. Sarajevo (ICBH) in Bosnia and Herzegovina.

Financial review

Statement of comprehensive income

The Company recorded an operating profit of EUR 2 thousand for the reporting period ending 30 June 2021. Operating revenues amounted to EUR 3 482 thousand which consisted of interest income from granted loan to parent entity.

The loan granted to parent entity was financed by issuance of bonds by the Company and the Company had financial expenses in financial year in the amount of total EUR 3 433 thousand.

Operating expenses amounted to EUR 47 thousand which were related to operating activities.

Statement of financial position

Total assets at 30 June 2021 amounted to EUR 50 462 thousand and liabilities amounted to EUR 50 399 thousand. The assets consist mostly from interest and loan receivable constituting 99,99% of total assets. The liabilities consist of accrued interest payables and bond liabilities constituting 100% of total liabilities.

As at 30 June 2021 the liquidity ratio of the Company was 0.9.

The equity of the Company is in the amount of EUR 63 thousand as at 30 June 2021.

Future development

For the year-ended 31 December 2021, the Company will focus to be the financing intermediary for its parent company, luteCredit Europe AS.

Research & Development

No research and development costs occurred in the financial period ended 30 June 2021.

Acquisition of own shares

No acquisition of own shares has occurred in financial period ended 30 June 2021.

Free shares

As at 30 June 2021, the Company has not granted any free shares to members of the Management of the Company. The Company is fully owned by IuteCredit Europe AS.

Existence of branches of the company

The Company does not have any branches.

Risk management

The Company does not have written risk management process in place. The Company focuses in its operations on minimizing the potential adverse effects of the financial risks on the performance of the Company. The main focus is on management of risks arising from overall market conditions, in interest rates development on financial market and their possible impact to Company's liquidity and capital as described in Note 6 General risk management policies.

Audit committee

Based on Art. 1 (20) of the Law of July 23, 2016 concerning the audit profession, the Company is classified as public-interest entity. Based on Art. 52 (1), a public-interest entity shall establish an audit committee. However, based on Art. 52 (5), the Company is exempted from this obligation as an audit committee has been established on IuteCredit group level.

Corporate Governance Statement

Introduction

The Company is subject to and complies with – among the others – the Luxembourg law of 10 August 1915 on commercial companies, as amended and the law of 11 August 2008 on transparency requirements for issuers of securities, as amended (the “Luxembourg Company Law”), as well as the Rules and Regulations of the Frankfurt Stock Exchange. The Company does not apply additional requirements in addition to those required by the above.

Powers of the Shareholder

The shareholder's general meeting exercises the power granted by the Luxembourg Company Law including

- appointing and removing the directors (the “Directors”) and the statutory or independent auditor of the Company as well as setting their remuneration,
- approving the annual financial statements of the Company,
- amending the articles of association of the Company,
- deciding on the dissolution and liquidation of the Company,
- changing the nationality of the Company, and
- rights to amend the financial statements after their issue.

General Powers of the Board of Managers

The Company is currently managed by a board of managers (the “Board”) whose members have been appointed as one type A Manager and two type B Managers by the shareholder's general meeting of the Company. In accordance with Luxembourg Company Law, each type A Manager and type B Manager may be removed at any time without cause (révocation ad nutum).

Meetings of the Board are convened upon request of the chairman of the Board or any two Managers of the Company as often as the interest of the Company so requires. The meetings of the Board are validly held if at the commencement of the meeting at least one type A Manager and one type B Manager is present or represented and decisions are validly taken by the majority of the Managers present or represented (including at least one type A Manager and at least one type B Manager). Any Manager may represent one or more other Managers at a Board meeting.

The Board of the Company may, from time to time, delegate its power to conduct the daily management (gestion journalière) of the Company to one or more Managers, i.e., the managing Manager(s) (administrateur(s) délégué(s)), commit the management of the affairs of the Company to one or more Managers or give special powers for determined matters to one or more proxy holders.

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Pursuant to its articles of association, according to which the Company is administrated by the Board comprising several categories of Managers, it shall be bound by the joint signatures of a type A Manager and a type B Manager. Thus the "four eyes" principle is established.

Based on the articles of association of the Company, Managers of each category are vested with the same individual powers and duties. The Managers of type B are Luxembourg residents, whereas the Manager of type A is not a Luxembourg resident and at the same time holds the positions of CEO within the Company.

Subsequent events

As of the last day of the reporting date of the half year report until the date of signing this half year report there have been no events requiring adjustment or disclosure in the half year report or in the notes thereto.

The Management Board of the Company declares the sustainability of the Company within next 12 months from the date of signing of the half year report.

Luxembourg, 21 July 2021



Kristel Kurvits
Manager

Luxembourg, 21 July 2021



Ann Leonie Lauwers

Manager

Pieter VAN NUGTEREN

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3. Financial statements

4.1 Statement of comprehensive income

	Notes	01.01.2021- 30.06.2021 in thousand EUR	01.01.2020- 30.06.2020 in thousand EUR
Interest income	8	3 482	2 751
Interest expense	9	-3 433	-2 666
Net interest income		49	85
Other income		0	28
Other income		0	28
Legal services, notary and bank fees		-47	-2
Total operating expenses		-47	-2
Profit (-loss) before tax		2	111
Income tax expense		0	0
Profit (-loss) for the reporting period		2	111
Other comprehensive income		0	0
Total comprehensive income		2	111
Profit attributable to:			
Equity holders of the parent		2	111

Notes on pages 11-22 are an integral part of the half year report.

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4.2 Statement of financial position

	Notes	30.06.2021 in thousand EUR	31.12.2020 in thousand EUR
Assets			
Non-current assets			
Loan receivables	11	48 099	44 307
Total non-current assets		48 099	44 307
Current assets			
Accrued interest from loan receivable	11	2 359	2 308
Cash and cash equivalents	10	4	87
Total current assets		2 363	2 395
Total assets		50 462	46 702
Equity and liabilities			
Equity			
Share capital	13	12	12
Legal reserve		1	1
Accumulated profit (-loss)		50	48
Total equity		63	61
Non-current liabilities			
Interest bearing loans and borrowings	12	47 783	44 040
Total non-current liabilities		47 783	44 040
Current liabilities			
Accrued interest on interest bearing loans and borrowings	12	2 616	2 600
Trade payables		0	1
Total current liabilities		2 616	2 601
Total equity and liabilities		50 462	46 702

Notes on pages 11-22 are an integral part of the half year report.

4.3 Statement of changes in Equity

in thousand EUR	Share capital	Legal reserve	Accumulated profit (-loss)	Total
31.12.2019	12	0	-199	-187
Contribution to share capital	0	0	0	0
Profit for the reporting period	0	0	111	111
Other comprehensive income	0	0	0	0
30.06.2020	12	0	-88	-76
Contribution to legal reserve	0	1	-1	0
Profit for the reporting period	0	0	136	136
Other comprehensive income	0	0	0	0
31.12.2020	12	1	48	61
Loss for the reporting period	0	0	2	2
Other comprehensive income	0	0	0	0
30.06.2021	12	1	50	63

Additional information about share capital is disclosed in Note 13

Notes on pages 11-22 are an integral part of the half year report.

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4.1 Statement of cash flow

	01.01.2021- 30.06.2021	01.01.2020- 30.06.2020
	in thousand EUR	in thousand EUR
Paid trade payables	-48	-22
Loan given to parent entity	-285	0
Repayments of loan given to parent entity	0	248
Interest received	3 500	2 574
Net cash flows from operating activities	3 167	2 800
Payments for repurchases of bonds	0	-222
Interest paid	-3 250	-2 600
Net cash flows from financing activities	-3 250	-2 822
Change in cash and cash equivalents	-83	-22
Cash and cash equivalents at the beginning of the period	87	47
Change in cash and cash equivalents	-83	-12
Cash and cash equivalents at the end of the period	4	35

Notes on pages 11-22 are an integral part of the half year report.

5 Notes to the half year report

5.1 Corporate information

The accompanying unaudited half year report of luteCredit Finance S.à r.l. (the Company) for the period from 01 January 2021 to 30 June 2021 were authorized for issue in accordance with a resolution of the Management Board on 21 July 2021.

luteCredit Finance S.à r.l. is a limited liability company incorporated and domiciled in Luxembourg. The registered office is located 14, rue Edward Steichen, Luxembourg. The Company was founded on 20 May 2019.

In July 2019, the Company, for the first time, issued 40 million EUR of senior secured bonds (hereafter referred as Eurobond) at the Frankfurt Stock Exchange ("General Standard market segment"). In December 2020, the Company issued additionally 10 million EUR of senior secured bonds.

The financial year of the Company starts on 1st January and ends on 31st of December.

This half year report has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as adopted by the European Union (IFRS EU). The accounting policies set out below have been applied to the stated period presented in this half year report except where indicated otherwise.

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