

IuteCredit Finance Eurobond issue

Opportunity to invest in IuteCredit Finance
Eurobond issue of up to EUR 175 million



About Iute Group

- Established in 2008 and headquartered in Tallinn, Estonia, Iute Group ("Iute") is a technology-driven financial services provider with 935 employees and 68 branches across the Balkans, including Moldova, Albania, North Macedonia, and Bulgaria.
- Iute operates through its non-bank financial institution subsidiaries and Energbank, its bank in Moldova.
- Iute offers a comprehensive suite of financial services, including installment loans, BNPL solutions, SME and mortgage lending, digital wallet services (payments, cards, accounts, deposits, remittances), and insurance intermediation such as credit protection and extended warranty plans.
- Business model is built around high demand for personal finance solutions in under-banked markets with high GDP growth and low public/private debt.
- Iute is an experienced and active capital markets participant, having issued and matured multiple bonds. The company's investor base includes both individual and institutional investors from Baltics and other countries.

Business overview

- Since 2021, Iute has diversified its revenue streams through growing contributions from wallet services and insurance intermediation, alongside its core offering of personalized cash loans, with these trends expected to continue driving future growth. The Group's product offerings span three key areas: Personalized cash loans, Wallet services, and Insurance intermediation services.
- Personalized Cash Loans:** Iute offers tailored cash loans based on customer risk profiles, with amounts up to EUR 15,000 and terms of up to 60 months, serving an active customer base of over 210,000.
- Wallet Services via MyIute App:** Customers in Albania can access cash operations, including adding and receiving cash through Iute's agent network and 78 Iute-owned ATMs. With an active customer base of over 59,000, the MyIute app has been downloaded more than 1.1 million times, and Iute has over 100,000 payment accounts.
- Insurance Intermediation Services:** Iute offers a diverse range of loan-related and non-loan insurance services across Moldova, Albania, North Macedonia, and Bulgaria, with coverage tailored to each client's needs. The company serves an active customer base of over 47,000, with more than 60,000 policies sold and projected revenue of EUR 3.4 million in 2024.
- Iute strategically extended loan maturities and focused on creditworthy customers, resulting in improved portfolio quality. By year-end 2024, 94% of the portfolio was composed of current loans and those due within 30 days, up from 92% in 2023, reflecting strong portfolio management.
- In July 2024, Fitch Ratings assigned a B- Long-Term Default Rating and a B- Senior Secured Debt Rating for Eurobond 2021/2026.

Financial highlights

- For the 12 months ending in 2024, Iute achieved exceptional portfolio growth across all segments, reflecting a strong 28% year-over-year increase. Since 2021, the loan portfolio has grown rapidly from EUR 105.4 million to EUR 297.6 million, driven by a robust CAGR of 41.4%.
- IuteCredit's share of the total net loan portfolio remains stable at 70%, while Energbank holds the remaining 30%, up from 27% at 31.12.2023. The growth in the net loan portfolio was driven by the expansion of the Albanian and Bulgarian portfolios.
- Since 2021, Iute's revenues have surged from EUR 61.2 million to EUR 112.7 million, achieving a strong CAGR of 22.6% from 2021 to 2024, highlighting the company's robust and sustained business growth.
- In 2024, EBITDA reached EUR 47.7 million, with a Net Profit of EUR 9.0 million. Since 2021, EBITDA has steadily grown at a CAGR of 27.9%, reflecting strong operational performance and profitability.
- At the end of 2024, the Capitalization ratio reached 25.0%, significantly surpassing the Eurobond covenant requirement of at least 15%. The Interest Coverage Ratio (ICR) remained stable throughout the year, ending at 1.7x, also exceeding the financial covenant threshold.

Financial highlights

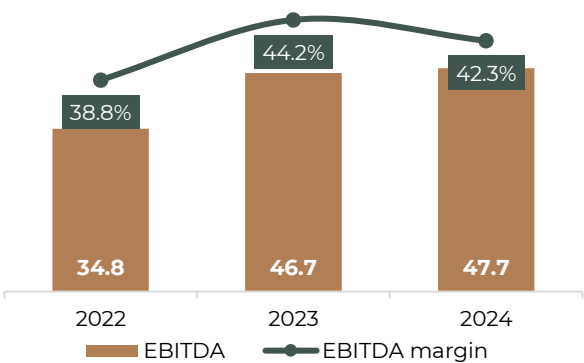
| EUR, millions | 2022 (audited) | 2023 (audited) | 2024 (audited) |
|-----------------------------------|-------------------|-------------------|-------------------|
| Revenue | 89.9 | 105.7 | 112.7 |
| Adjusted EBITDA ¹ | 34.8 | 46.7 | 47.7 |
| EBITDA margin | 38.7% | 44.2% | 42.3% |
| Net profit | 17.1 | 10.3 | 9.0 |
| Net Loan Portfolio | 193.9 | 232.2 | 297.6 |
| Cash | 65.6 | 71.7 | 53.7 |
| Total Equity | 53.6 | 63.8 | 74.5 |
| Total borrowings | 253.3 | 293.0 | 327.9 |
| Net borrowings | 187.7 | 221.3 | 274.3 |
| EBITDA / Interest expense | 1.7x | 1.7x | 1.7x |
| Capitalization ratio ² | 27.6% | 27.5% | 25.0% |

Notes: ¹ Adjusted by Net gains/losses from financial assets measured at fair value, foreign exchange gains/losses, and one-time costs

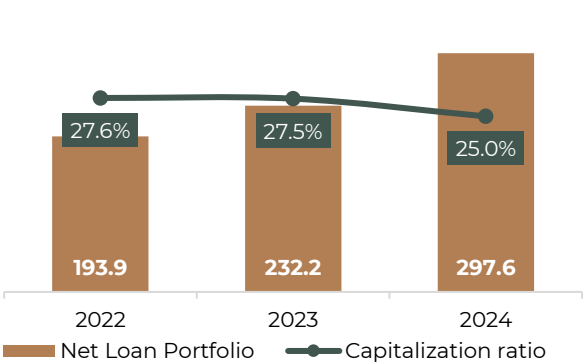
² Total equity / Net loan portfolio

Source: Iute's financial reports and presentations

EBITDA & EBITDA margin, (EURm)



Net Loan Portfolio & Capitalization ratio



Offering of New 2025/2030 Eurobonds

Term Sheet

| | |
|------------------------|--|
| Issuer | IuteCredit Finance S.à.r.l. (Luxembourg) |
| Security type | Senior secured bonds |
| ISIN | XS3047514446 |
| Offer type | Public and private offering |
| Key pledgors | <div><div></div><div><ul style="list-style-type: none">IuteCredit Finance S.à r.l. , Iute Group AS, O.C.N."IUTE CREDIT"S.R.L., IuteCredit Albania S.H.A, IuteCredit Macedonia DOOEL Skopje, and IuteCredit Bulgaria EOODAll group companies (except banks) with a Net Loan Portfolio of at least EUR 10,000,000</div></div> |
| Issue size | Up to EUR 175,000,000 |
| Coupon rate | 11.00% - 12.50%, fixed (min. coupon 11%, final coupon to be determined at the end of subscription period and will be the same to all investors) |
| Coupon frequency | Semi-annual |
| Term | 5.5 years |
| Principal repayment | Starting from the 5th year 7.5% principal redemption every quarter with 55% remaining at maturity |
| Nominal value | EUR 100 |
| Minimum subscription | EUR 100 |
| Use of proceeds | <div><div></div><div><ul style="list-style-type: none">Partially refinancing XS2378483494 bonds with maturity October 2026Refinancing of other existing liabilitiesGeneral corporate purposes</div></div> |
| Listing | <div><div></div><div><ul style="list-style-type: none">Frankfurt Stock ExchangeNasdaq Tallinn Regulated Market</div></div> |
| Covenants ¹ | <div><div></div><div><ul style="list-style-type: none">Interest Coverage Ratio min 1.25xCapitalization Ratio at least 15%</div></div> |
| Joint Lead Managers | Oppenheimer (USA) ; LHV Bank (Estonia) |
| Co-Manager | Signet Bank (Latvia) |

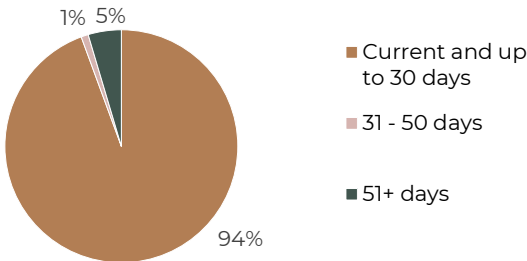
Key investment highlights

- A leading fintech growth player in the Balkans, driving innovation and expansion in non-banking financial services
 - Robust financial health - Capitalization Ratio of 25% and Interest Coverage Ratio 1.7x
 - Strong financial performance - EUR 112.7 million revenue & EUR 47.7 million EBITDA
 - Experienced issuer with an extensive capital markets track record
 - Fitch's B- rating affirms Group's debt repayment ability

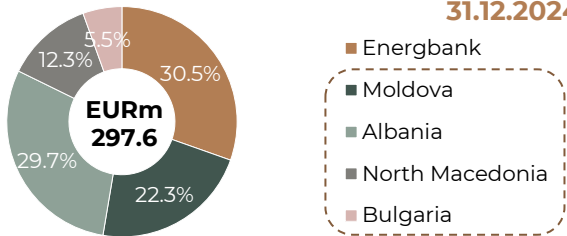
Iute Group bond issue

- Iute announces the launch of its EUR 175 million bond offering. The offer will be available to retail investors in Baltics and professional investors.
 - Proceeds of the new bond issue will be used to partially refinance existing EUR 125 million bonds maturing in October 2026, as well as refinance other existing liabilities and general corporate purposes.
 - Iute is experienced issuer and debuted in the capital markets in 2019 and issued various bond issues with various maturities ever since.
 - Iute's EUR 75 million Eurobond (11% interest, maturing October 2026) was issued in October 2021 and listed on the Frankfurt and Nasdaq Tallinn exchanges, with two tap issuances in 2023 raising the total to EUR 125 million.
 - On 9 May 2025, Iute announced strong investor interest in its conditional offer to exchange EUR 2021/2026 Bonds XS2378483494 for new bonds or to tender them for cash.
 - By the extended deadline on 7 May 2025, investors submitted around EUR 78 million in interest, exceeding the EUR 75 million threshold, EUR 52.5 million for the exchange offer and EUR 25.5 million for the cash tender.

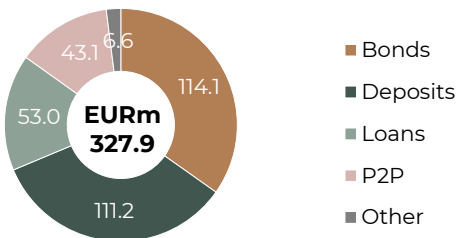
Net loan portfolio quality analysis 31.12.2024



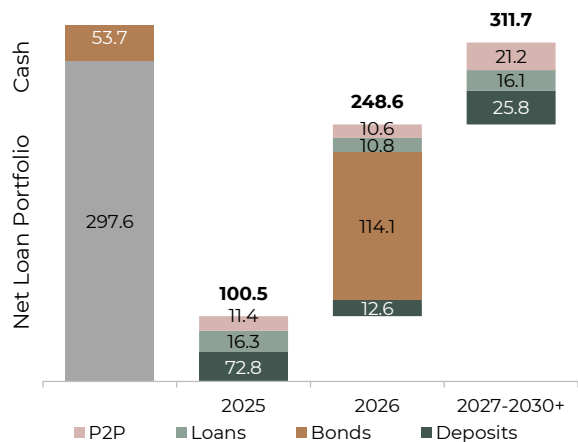
Net Loan portfolio breakdown by country 31.12.2024



Liabilities profile 31.12.2024 (EURm)



Liability maturities 31.12.2024 (EURm)



Notes: 1 Full list of covenants can be found in the Issue Terms
Source: Financial reports and information provided by the management

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Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence IuteCredit Finance S.à r.l. are: Limited operating history risk, credit risk assessment difficulty, foreign exchange risk, COVID-19 impact risk, IT system dependency risk, funding availability risk, third-party service dependency risk, interest rate spread decline risk, debt recovery risk, growth strain on resources risk, reputation and service quality risk, increased operational costs risk, new product launch risk, affiliate marketing dependency risk, decreased demand risk, intellectual property risk, cybersecurity and security breach risk, talent acquisition and retention risk, financial reporting and tax judgment risk, geographical diversification risk, e-commerce adaptation risk, public perception risk, search engine ranking risk, outsourced IT services risk, domain name competitor risk, union activity risk, working capital requirement risk, substantial indebtedness risk, liquidity risk, impairment risk, financing restrictions risk, global financial market conditions risk, additional debt risk, natural disaster and business disruption risk, economic and political changes risk, anti-corruption law compliance risk, underdeveloped legal systems risk, regulatory compliance risk, privacy and data protection law risk, anti-money laundering law compliance risk, contractual claims and litigation risk, tax position risk due to anti-tax avoidance law, beneficial owner conflicts risk.

When investing funds in bonds, investors undertake the following risks related to debt securities: Insufficient cash flow to service indebtedness risk, inability to repay or repurchase Bonds risk, unfavorable insolvency laws risk, foreign exchange risk for Bond investors, repurchase or redemption risk due to low interest rates, Issuer dependency on operating companies risk, structural subordination of Bonds risk, interest rate increase risk, U.S. withholding tax risk on Bond payments, Common Reporting Standard risk, lack of established trading market for Bonds risk, restricted transfer of Bonds liquidity risk, insufficient security coverage risk, enforcement difficulty across jurisdictions risk, Security Agent Agreement risk, limitations on enforcement of security and guarantees risk, failure to perfect security risk, enforcement subject to Security Agent Agreement risk, amendments to Security Agent Agreement and documents risk, dependence on Agent and Security Agent actions risk, reclassification of guarantee as suretyship risk, release of security under certain circumstances risk, insolvency administrator disregard of Security Agent Agreement risk.

The risks indicated in this section may reduce IuteCredit Finance S.à r.l. ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect IuteCredit Finance S.à r.l.