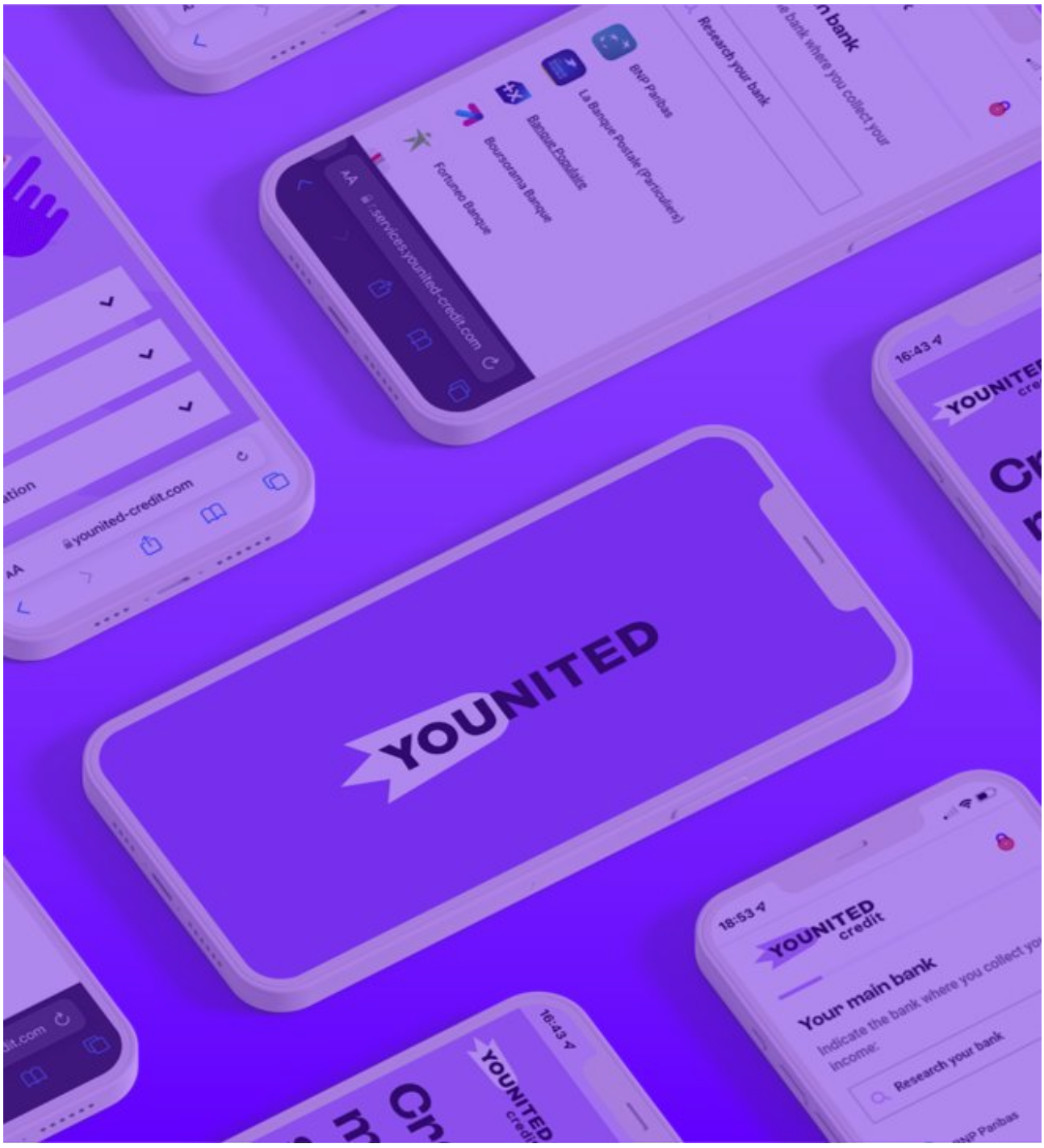

YOUNITED FINANCIAL S.A.

Consolidated Financial Statements
December 31, 2024

The Group auditor completed its audit procedures on these financial statements and is about to issue its audit report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 5
CONSOLIDATED STATEMENT OF CASH FLOWS 6
NOTE 1 BASIS OF ACCOUNTING 7
NOTE 2 KEY EVENTS OF THE FINANCIAL YEAR ENDED DECEMBER 31, 2024 9
NOTE 3 SCOPE OF CONSOLIDATION 9
NOTE 4 FINANCIAL RISK REVIEW 12
NOTE 5 OPERATING SEGMENTS 28
NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS 30
NOTE 7 NET INTEREST INCOME 33
NOTE 8 NET INCOME FROM FINANCIAL INSTRUMENTS AT FVTPL 34
NOTE 9 REVENUE FROM CONTRACTS WITH CUSTOMERS 34
NOTE 10 PERSONNEL EXPENSE 36
NOTE 11 OTHER OPERATING EXPENSES 38
NOTE 12 SHARE-BASED PAYMENTS ARRANGEMENTS 38
NOTE 13 INCOME TAXES 42
NOTE 14 FINANCIAL INSTRUMENTS 44
NOTE 15 PROPERTY AND EQUIPMENT 50
NOTE 16 INTANGIBLE ASSETS 52
NOTE 17 EQUITY 53
NOTE 18 EARNINGS PER SHARE 57
NOTE 19 SECURITISATION OPERATIONS 57
NOTE 20 PROVISIONS 58
NOTE 21 RELATED PARTIES 58
NOTE 22 AUDITOR'S FEES 60
NOTE 23 OFF BALANCE SHEET 60
NOTE 24 FINANCIAL RISK MANAGEMENT 61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of December 31,	
(in € thousands)	*Note*	**2024**	**2023**
Assets			
Cash, due from central banks	*14*	193,433	236,756
Financial assets at FVTPL	*14*	86,837	135,403
Loans and advances to financial institutions	*14*	83,413	73,525
Loans and advances to customers at FVOCI	*14*	458,150	477,287
Loans and advances to customers at amortised cost	*14*	274,888	339,347
Property and equipment	*15*	11,740	14,568
Intangible assets	*16*	34,117	36,552
Other assets	*14*	81,870	85,537
TOTAL ASSETS		**1,224,448**	**1,398,973**
Liabilities			
Financial liabilities at FVTPL	*14*	12,181	-
Loans and deposits from financial institutions	*14*	60,611	60,033
Deposits from deposit holders	*14*	832,722	1,126,252
Other liabilities	*14*	79,846	68,840
Provisions	*20*	615	466
TOTAL LIABILITIES		**985,975**	**1,255,591**
Equity			
Share capital	*17*	691	273
Share premium	*17*	340,376	181,260
Other equity instruments		-	289
Reserves and retained earnings	*17*	(27,483)	(10,080)
Loss for the period		(83,439)	(49,679)
Other comprehensive income		8,329	21,320
TOTAL EQUITY		**238,474**	**143,383**
TOTAL LIABILITIES AND EQUITY		**1,224,448**	**1,398,973**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Twelve-month period ended December 31,	
(in € thousands)	*Note*	**2024**	**2023**
Interest income calculated using the effective interest method	*7*	73,813	83,481
Interest expense	*7*	(30,437)	(22,092)
Net interest income		**43,375**	**61,389**
Net gains and losses from financial instruments at FVTPL	*8*	2,835	2,799
Net gains and losses from financial instruments at FVOCI	*14*	2,898	(5,318)
Income from other activities	*9*	45,563	42,886
Revenue		**94,671**	**101,755**
Personnel expense	*10*	(37,851)	(36,667)
Other operating expenses	*11*	(66,020)	(34,397)
Depreciation and amortisation expenses	*15,16*	(27,270)	(21,682)
Impairment losses on financial instruments	*4*	(46,502)	(57,890)
Loss before tax		**(82,973)**	**(48,881)**
Income tax expense	*13*	(466)	(799)
Loss for the year		**(83,439)**	**(49,679)**
Earnings per share			
Basic earnings per share (€)		(3.34)	(2.14)
Diluted earnings per share (€)		(3.34)	*(2.14)*
Loss for the year		**(83,439)**	**(49,679)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Revaluation of debt instruments at FVOCI:			
Revaluation differences of the period	*14*	*11,179*	*16,024*
Reclassified into income	*14*	*(2,898)*	*5,318*
Total items that may be reclassified to profit or loss		**8,281**	**21,342**
Items that will not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	*10*	48	(22)
Total items that will not be reclassified to profit or loss		**48**	**(22)**
Total other comprehensive (loss)/ income for the year		**8,329**	**21,320**
Total comprehensive (loss)/ income for the year		**(75,110)**	**(28,359)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Note	Share capital	Share premium	Other equity instruments	Loss for the year	Reserves and retained earnings	Total equity
Balance at January 1, 2023		**262**	**174,418**	**289**	**(78,918)**	**44,533**	**140,584**
Loss for the year		-	-	-	(49,679)	-	(49,679)
Allocation of net result of 2022		-	-	-	78,918	(78,918)	-
Increase in capital	17	10	6,842	-	-	-	6,852
Equity-settled share-based payment	12	-	-	-	-	2,882	2,882
Remeasurement of defined benefit liability	10	-	-	-	-	(22)	(22)
Change in other comprehensive income		-	-	-	-	21,342	21,342
Other movements		-	(211)	-	-	(52)	(263)
Capital reorganization	17	-	211	-	-	21,475	21,686
Balance at December 31, 2023		**273**	**181,260**	**289**	**(49,679)**	**11,240**	**143,383**
Loss for the year		-	-	-	(83,439)	-	(83,439)
Allocation of net result of 2023		-	-	-	49,679	(49,679)	-
Increase in capital	17	418	159,116	-	-	-	159,534
Capital reorganization	17	-	-	-	-	(19,534)	(19,534)
Equity-settled share-based payment	12	-	-	-	-	30,940	30,940
Remeasurement of defined benefit liability	10	-	-	-	-	48	48
Change in other comprehensive income		-	-	-	-	8,281	8,281
Other movements		-	-	(289)	-	-	(289)
Balance at December 31, 2024		**691**	**340,376**	**-**	**(83,439)**	**(19,154)**	**238,474**

CONSOLIDATED STATEMENT OF CASH FLOWS

		Twelve-month period ended December 31,	
(in € thousands)	*Note*	**2024**	**2023**
Cash flows from operating activities			
Loss for the year		**(83,439)**	**(49,679)**
Adjustments for:			
Net depreciation and amortisation	*15,16*	27,270	21,683
Net impairment loss on loans and investment securities	*4*	46,502	57,890
Net interest income	*7*	(43,375)	(61,389)
Net gain (loss) on loans and investment securities at FV	*8*	(5,733)	2,567
Equity-settled share-based payment transactions	*12*	31,706	2,882
Other income and expense	*11*	918	673
Net change in loans and advances to financial institutions and customers	*14*	48,199	33,578
Net change in loans and deposits from financial institutions and investors	*14*	(292,952)	169,328
Other assets, liabilities and provisions	*14,20*	(4,063)	12,390
Net interest received (paid)	*7*	51,520	53,755
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		**(223,447)**	**243,680**
Cash flows from investing activities			
Net change in investment securities	*14*	48,601	(71,169)
Investment in property and equipment, and intangible assets	*15,16*	(21,362)	(25,165)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**27,238**	**(96,334)**
Cash flows from financing activities			
Proceeds from increase in capital[(2)]	*3,17*	166,510	28,538
Repayment of lease liabilities	*14*	(3,737)	(3,506)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**162,773**	**25,032**
Net increase (decrease) in cash, due from central banks		**(33,435)**	**172,378**
CASH AND CASH EQUIVALENTS AT OPENING[(1)]		**310,281**	**137,903**
CASH AND CASH EQUIVALENTS AT CLOSING[(1)]		**276,846**	**310,281**

[(1)] Cash and Cash equivalent comprises balances of (i) Cash, due from central banks and (ii) Loans and advances to financial institutions – which consists solely of on-demand deposit.

[(2)] Include mainly €152.3 million resulting from the transaction with the SPAC (cf. Note 3 & Note 17) and €26.1 million resulting from the increase in capital completed April 24, 2024 (cf. Note 17) net of €9.7 million of directly attributable transaction costs.

Note 1 Basis of accounting

1.1 Group presenting the consolidated financial statements

Younited Financial S.A. (formerly known as RA Special acquisition Corporation and then Iris Financial), (the Company) is a public limited liability company (société anonyme) existing under the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Company was transferred December 12, 2024 from the Cayman Islands to Luxembourg without disruption of its legal personality. It has its current registered office at 17, Boulevard Friedrich Wilhelm Raiffeisen, L2411 Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg) under number B292237.

The consolidated financial statements as at December 31, 2024, comprise the Company which is the legal parent of the group and its legal subsidiary (together referred to as the 'Group' or 'Younited') and consist of the first set of consolidated financial statements prepared. These consolidated financial statements have been approved and authorized for issue by the Board of Directors April 3, 2025.

Younited is one of the leading instant credit provider in Europe. Constant innovation, cuţting-edge technology and exceptional user experience have allowed over one million customers to have access to instant, simple and transparent credit to refurbish their homes, go on vacation, buy a new smartphone, or bring any other project to life. Younited provides instant credit throughout the customer journey, shopping, or banking, online or in-store, with a single Younited customer experience. Younited operates in 4 European countries (France, Italy, Spain and Portugal).

1.2 Basis of preparation

These consolidated financial statements have been prepared for the year ended December 31, 2024 in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") endorsed by the European Union as at December 31, 2024. The financial statements have been prepared on a going concern basis. All amounts have been rounded to the nearest thousand, unless otherwise indicated. Due to rounding, in some cases the individual figures presented may not add up precisely to the totals provided.

1.3 Current standards and interpretations

1.3.1 *New mandatory standards and interpretations applicable as of January 1, 2024*

The following amendments to IFRS Accounting Standards, applicable for the 2024 financial year, had no impact on the Group's consolidated financial statements as at December 31, 2024:

- Amendments to IFRS 16 'Leases'*: Lease liability arising from a sale and leaseback*, applicable to financial years beginning on or after January 1, 2024;
- Amendments to IAS 1 'Presentation of financial statements': *Non-current Liabilities with Covenants* and *Classification of Liabilities as Current and Non-current* , applicable to financial years beginning on or after January 1, 2024;
- Amendments to IAS 7 'Statement of cash flows' and IFRS 7 'Financial instruments disclosures': *Disclosure of the effects of "reverse factoring agreements*", applicable to financial years beginning on or after January 1, 2024.

1.3.2 *Accounting standards issued but not yet effective*

The Group has not opted for early application of the following amendment, for which the mandatory application date is after December 31, 2024:

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates, applicable to financial years beginning on or after January 1, 2025.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments applicable to financial years beginning on or after January 1, 2026.

- IFRS 18 ‘Presentation and Disclosure in Financial Statements’ applicable to financial years beginning on or after January 1, 2027
- IFRS 19 ‘Subsidiaries without Public Accountability Disclosures’ applicable to financial years beginning on or after January 1, 2027.

The analysis of the consequences for the Group of the first application of this amendment is in progress. However, it should not have a material effect on the Group’s financial situation and performances.

1.4 Foreign currency translation

1.4.1 *Functional and presentation currency*

These financial statements are presented in euro, which is the Group’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

1.4.2 *Foreign currency transactions and balances*

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within other operating expenses.

However, foreign currency differences arising from the translation of investment in equity securities designated as at FVOCI are recognized in OCI.

1.5 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

1.5.1 *Estimation-related judgements and assumptions*

Information about judgements and assumptions made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Determination of whether credit risk on financial assets has increased significantly – Note 4
- Measurement of recoverable cashflows used to measure Expected Credit Losses ‘ECL’ on financial instruments – Note 4
- Fair Value Measurement of financial instruments with significant unobservable inputs – Note 6
- Measurement of the insurance brokerage revenue – Note 9.
- Initial classification of financial instruments – Note 14
- Assessment of the control over special purpose vehicle used for securitisation of loans – Note 19
- Assessment of the control over the combined Group formed by Iris Financial and Younited to determine whether it qualifies as a reverse acquisition – Note 3
- Measurement of the listing expense incurred by Younited according to IFRS 2 – Note 3

Note 2 Key events of the financial year ended December 31, 2024

2.1 Significant events during the financial year presented

2.1.1 *Transaction with Iris Financial*

On October 7, 2024, Younited S.A. ("Younited") and the Special Purpose Acquisition Company (SPAC) Iris Financial, listed on Euronext Amsterdam, entered into a transaction agreement. Under this agreement, Younited's shareholders agreed to contribute all of their Younited shares to the Company in exchange for newly issued shares of the Company. The transaction was completed on December 20, 2024 resulting in a capital increase of €152.5 million.

Considering the accounting treatment of the transaction (detailed in Note 3), the opening equity of the Group has been adjusted retrospectively to reflect the share capital and share premium of the Company. A Reconciliation between figures as at January 1, 2023 as published in the financial statements for year ended December 31, 2023 and adjusted equity as at January 1, 2023 included in the Consolidated statement of change in equity is provided in the table below:

(in € thousands)	Share capital	Share premium	Other equity instruments	Loss for the period	Reserves and retained earnings	Total equity
Balance at January 1, 2023 - published Financial statements	**1,861**	**351,790**	**289**	**(78,918)**	**(134,437)**	**140,584**
Capital reorganisation	(1,599)	(177,372)	-	-	178,971	-
Balance at January 1, 2023	**262**	**174,418**	**289**	**(78,918)**	**44,533**	**140,584**

2.1.2 *Transfer of the registered office of the Company from the Cayman Islands to Luxembourg*

The shareholder meeting of the Company held December 12, 2024 approved the transfer of the Company registered office from the Cayman Islands to the Grand Duchy of Luxembourg.

2.2 Subsequent events

Following the successful completion of the business combination with Younited S.A. on December 20, 2024, Younited Financial S.A. has been listed on the regulated market of Euronext Paris, in addition to its existing listing on Euronext Amsterdam, on January 20, 2025.

Note 3 Scope of consolidation

The consolidated financial statements include the financial statements of the parent company and all entities over which the Group exercises control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiary is fully consolidated from the date on which control is transferred to the Group and is deconsolidated from the date that control ceases.

The financial statements of subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The legal parent of the Group is the company whereas Younited S.A. is the accounting parent. Because the Company is not a business Younited S.A. is deemed to have carried out an increase in capital in conjunction with a reorganization of capital at the date of the Combination with the Company, such as the owners of Younited S.A. are now the owners of the Group.

The scope of consolidation is reviewed regularly and updated to reflect any changes in the Group's structure or control relationships.

The subsidiary within the scope of consolidation are as follows:

		2024		2023	
Company	**Country**	**% of control**	**Consolidation Method**	**% of control**	**Consolidation Method**
Younited Financial	Luxembourg	100%	Consolidation	N/A	N/A

The Group was formed in 2024. No consolidated group existed in 2023.

3.1 Transaction between Iris Financial and Younited

3.1.1 *Context of the transaction*

On December 20, 2024 (The "Closing Date"), the Company, completed the acquisition of Younited S.A. ("Younited") pursuant to the Business Combination Agreement, dated October 7, 2024. Considering the criterias outlined in IFRS 3 'Business combinations' and notably the fact that following the transaction (i) Younited's shareholders hold a majority of the Company's voting rights; (ii) the Company's Board of Directors is composed of a majority of Younited's Management Board members; (iii) the Group's management team is composed of members of Younited's management team; and (iv) Younited's operations include operations continued by the Group, Younited has been considered the accounting acquirer.

While the Company is the legal acquirer in the Business Combination, because Younited was deemed the accounting acquirer, the historical financial statements of Younited became the historical financial statements of the Group upon completion of the Business Combination. As a result, the consolidated financial statements included in this report reflect (i) the historical result of operation of Younited prior to the Closing Date; (ii) the consolidated result of operation of the Group following the Closing Date; (iii) the assets and liabilities of Younited at their historical cost; and (iv) the Company's equity structure for all periods presented.

In accordance with guidance applicable to these circumstances, the equity structure has been restated in all comparative periods up to the Closing Date, to reflect the number of shares of the Company's, issued to Younited's shareholders in connection with the Business Combination. As such, Younited's shares and corresponding capital amounts and earnings per share prior to the Business Combination have been retroactively restated as shares reflecting the exchange ratio established in the Business Combination Agreement.

The transaction is considered a capital reorganization of Younited within the scope of IFRS 2 'Share-based payment,' as Iris Financial does not meet the definition of a business under IFRS 3, 'Business combinations'. From an accounting perspective, Younited is deemed to carry out a capital increase in exchange for the net assets of Iris Financial. The difference between the fair value of the deemed issued shares and the net asset value of Iris Financial represents the expense incurred by the former shareholders of Younited to access the market.

The share capital and share premium presented in the consolidated statement of financial position and in the consolidated statement of changes in equity has been restated to reflect the share capital and share premium of the legal acquirer, i.e., Iris Financial (renamed Younited Financial S.A.). The difference between the share capital and share premium of the legal acquirer and the share capital and share premium of the accounting acquirer is recognized in other reserves and retained earnings.

3.1.2 *Accounting implications*

Fair value of shares deemed issued

The fair value of the shares deemed issued has been determined by calculating the deemed number of shares the accounting acquirer would have had to issue to obtain control over the listed shell company as if it had directly acquired the shares of the listed shell company. This deemed number of shares issued has then been multiplied by the market value of a share of the accounting acquiree just before the transaction.

	Quantity	Value *(€)*	Total *(in € millions)*
Deemed issue of shares	**15,902,780**	**9.58**	**152.3**

As part of its initial public offering in April 2022, Iris Financial issued Public Warrants and Sponsor Warrants. Public warrants are listed on Euronext Amsterdam. When exercised in lots of three, both Public Warrants and Sponsor Warrants entitle their holders to subscribe to one new Ordinary Share of the Company at a price of respectively $11.50 and $12.00.

	Public warrants	Sponsor warrants
Grant date	7/7/2021	2/23/2022
Business combination date	12/20/2024	12/20/2024
Expiry date	12/19/2029	12/19/2029
Number of stock warrants granted	7,666,667	7,000,000
Outstanding as of January 1, 2023	**7,666,667**	**7,000,000**
Issued	-	-
Cancelled	-	-
Outstanding as at December 31, 2023	**7,666,667**	**7,000,000**
Issued	-	2,000,000
Cancelled	(7)	-
Outstanding as at December 31, 2024	**7,666,660**	**9,000,000**
Subscription price (in €)	-	0.96
Fair value on IBC date (in €)	0.77	0.70
Exercise price (in €)	10.95	11.42
Maximum increase in share capital (in €)	728	855

Determination of acquired assets and liabilities

In exchange for the deemed issuance of shares, Younited received the net assets of Iris Financial, valued at €122.4 million, consisting of current assets amounting to €152.7 million and current liabilities amounting to €30.3 million. The current assets primarily comprised the escrow account, totaling €152.4 million. The current liabilities mainly consisted of trade payables incurred in the context of the Business Combination and warrants liabilities.

(in € millions)	Fair value
Current assets	
Escrow account	152.4
Cash and cash equivalents	0.2
Total assets	**152.7**
Current liabilities	
Other financial liabilities	30.3
Total liabilities	**30.3**
Net assets acquired	**122.4**

Determination of the cost to access the market

The difference between the fair value of the deemed issued shares and the net asset value of Iris Financial represents the expense incurred by the former shareholders of Younited to access the market. This market access cost, amounting to €29.9 million, is recognized as an other operating expense in the consolidated statement of profit or loss and is reflected in the consolidated statement of changes in equity for the year ended December 31, 2024.

(in € millions)	
Net assets acquired	**122.4**
Capital increase	**152.3**
Listing expense	**(29.9)**

Note 4 Financial risk review

This note presents information about the Group's exposure to financial risks and the Group's management of capital. For information on the Group's "Financial risk management framework", see Note 23.

4.1 Credit risk

Credit risk is expressed through the impairment provisions recognized for expected credit losses (ECL) as defined by IFRS 9 'Financial instruments'.

IFRS 9 'Financial instruments' introduces a single credit risk impairment model, based on expected credit losses rather than incurred losses. These impairment methods apply to all financial assets measured at amortised cost or fair value through recyclable equity, lease receivables, loan commitments and financial guarantee contracts.

This mechanism requires recognition of a loss allowance for impairment as from the initial recognition of the exposures concerned. This initial loss allowance corresponds to the expected credit losses given default over the next 12 months (stage 1). If the credit risk increases significantly after initial recognition, the expected credit losses will be measured over the residual lifetime of the instrument (stage 2). Finally, if the credit quality deteriorates to the point where the recoverability of the receivable is threatened, the lifetime expected losses must be provisioned (stage 3), taking account in the calculation of the increase in the risk by comparison with the loss allowances estimated in stage 2 (including the use of 100% probability of default). Expected credit losses are therefore recognized progressively, reflecting the increase in the risk of the instrument.

The main characteristics of the different stages of provisioning can be summarized as follows:

Stage 1 - Performing assets not downgraded

All the contracts concerned, with the exception of financial assets purchased credit-impaired (POCI), are initially accounted for in this category;

- The amount of credit risk impairment is calculated on 12-month expected credit losses;
- Interest revenue is recognized in profit or loss using an effective interest rate applied to the gross carrying value of the asset before impairment.

Stage 2 – Performing assets downgraded

In the event of significant increase of credit risk since initial recognition, the financial asset is transferred to this category from stage 1;

- The amount of credit risk impairment is then calculated on the remaining lifetime expected loss (losses expected at maturity);
- Interest revenue is recognized in profit or loss using an effective interest rate applied to the gross carrying value of the asset before impairment;
- The significant increase in credit risk is based on an assessment of the change in the risk of default over the lifetime of the instrument, rather than a change in the amount of the expected credit losses. A significant increase in credit risk can be determined individually (instrument by instrument) or collectively, based on portfolios of similar financial assets.

Stage 3 - Defaulted assets

- Financial assets that have suffered a default event will be downgraded to this category;
- The amount of credit risk impairment continues to be calculated on the remaining lifetime expected loss (losses expected at maturity), but the calculation method will take account of an additional increase in credit risk;
- Interest revenue is recognized in profit or loss using an effective interest rate applied to the net carrying value of the asset (after impairment).

A financial instrument is considered as defaulted when one or more events occur with a detrimental effect on its future estimated cash flows. Indications of impairment include any credit event corresponding to one of the following situations:

- Probable or certain risk of non-collection: 61 days of unpaid amounts;
- Confirmed counterparty risk: over indebtedness procedure;
- Close-out netting.

The default definition hereby used is in accordance with the definition of default as defined by the European Banking Authority.

Expected credit losses correspond to the present value of the difference between the contractual cash flows and those that the Group expects to receive, which are calculated on the basis of estimations relying on the probability of realistically achievable scenarios, under circumstances existing at the reporting date, and the macro-economic forecasts available (without having to incur unreasonable costs or efforts to obtain them). These credit losses are calculated on the maximum contractual period (including options for extension) during which the Group is exposed to the credit risk.

Purchased or originated credit-impaired financial assets

In some cases, financial assets are credit-impaired at their initial recognition. For these assets, the effective interest rate is calculated taking into account the lifetime expected credit losses in the initial estimated cash flows. Any change in lifetime expected credit losses since initial recognition, positive or negative, is recognized as a loss allowance adjustment in profit or loss.

Write-off

Financial assets are derecognized when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

The Group does not allow modifications of financial assets. Once a financial asset has been written off, it is not subject to reinstatement. Any subsequent recoveries of previously written-off amounts are recognized when cash is received and included in 'impairment losses on financial instruments' in the statement of profit or loss.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the corresponding assets.

4.1.1 *Credit quality analysis*

The following tables set out information about the credit quality of financial assets measured at amortised cost and at FVOCI broken down by grade at origination for each reporting date. Unless specifically indicated, the table represents gross carrying amounts of financial assets.

Loans and advances to customers at amortised cost

		As at December 31, 2024				
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	***o/w POCI***	**Total**
Loans and advances to customers at amortised cost						
Grades A1-A3: Strong	0 to 3%	55,901	1,637	2,424	9	**59,961**
Grades A4-A6: Satisfactory	3 to 6%	95,060	35,935	21,009	80	**152,003**
Grades A7 and lower: Higher risk	6 to 9%	52,069	45,616	61,759	606	**159,444**
Gross carrying amount		203,030	83,188	85,191	695	**371,409**
Loss allowance		(7,500)	(14,531)	(74,491)	(658)	**(96,522)**
Net carrying amount		**195,530**	**68,657**	**10,700**	**37**	**274,888**

		As at December 31, 2023				
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	***o/w POCI***	**Total**
Loans and advances to customers at amortised cost						
Grades A1-A3: Strong	0 to 3%	66,139	1,988	1,115	9	**69,243**

Grades A4-A6: Satisfactory	3 to 6%	103,809	56,400	18,023	223	**178,232**
Grades A7 and lower: Higher risk	6 to 9%	84,483	41,443	72,620	2,210	**198,545**
Gross carrying amount		254,432	99,831	91,758	2,443	**446,021**
Loss allowance		(9,851)	(16,159)	(80,664)	(2,300)	**(106,674)**
Net carrying amount		**244,581**	**83,672**	**11,094**	**144**	**339,347**

Loans and advances to customers at FVOCI

		As at December 31, 2024				
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	***o/w POCI***	**Total**
Loans and advances to customers at FVOCI						
Grades A1-A3: Strong	0 to 3%	215,813	3,436	13,760	333	**233,009**
Grades A4-A6: Satisfactory	3 to 6%	100,955	31,011	27,555	668	**159,521**
Grades A7 and lower: Higher risk	6 to 9%	61,082	45,976	52,894	1,022	**159,952**
Gross carrying amount		377,850	80,423	94,210	2,023	**552,482**
Loss allowance		(9,867)	(12,884)	(81,043)	(1,912)	**(103,794)**
Fair value adjustment		5,791	2,037	1,633	9	**9,461**
Net carrying amount		**373,774**	**69,576**	**14,800**	**120**	**458,150**

		As at December 31, 2023				
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	***o/w POCI***	**Total**
Loans and advances to customers at FVOCI						
Grades A1-A3: Strong	0 to 3%	237,624	3,779	31,022	861	**272,425**
Grades A4-A6: Satisfactory	3 to 6%	96,597	26,737	37,178	1,098	**160,512**
Grades A7 and lower: Higher risk	6 to 9%	68,697	48,535	82,120	1,791	**199,352**
Gross carrying amount		402,918	79,051	150,320	3,750	**632,289**
Loss allowance		(12,844)	(13,556)	(129,791)	(3,402)	**(156,192)**
Fair value adjustment		(2,869)	1,886	2,173	52	**1,190**
Net carrying amount		**387,204**	**67,381**	**22,702**	**401**	**477,287**

Loans and advances to financial institutions

Loans and advances to financial institutions comprise on-call deposits and their PD is nearly zero.

4.1.2 *ECL methodology and amounts arising from ECL*

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The probability of default (PD) as at the reporting date; with
- The PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations).

The Group uses three criteria in determining whether there has been a significant increase in credit risk:

- A quantitative test based on movement in PD;
- Qualitative indicators; and
- A backstop of 30 days past due.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are updated twice a year and defined using (i) qualitative factors such as incidence of change in macroeconomic conditions on grading since origination and (ii) quantitative factors based on borrowers' behaviour. These factors are indicative of risk of default.

Credit risk grades are defined and calibrated such that the risk of default occurring increases as the credit risk grade deteriorates. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Grading	12-month weighted-average PD
Grades A1-A3: Strong	0 to 3%
Grades A4-A6: Satisfactory	3 to 6%
Grade A7 and lower: Higher risk	6 to 9%
Credit impaired	100%

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the change in annualised lifetime PD since initial recognition is greater than 300 basis points (bps).

Incorporation of forward-looking information

The Group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Group formulates three economic scenarios:

- *Baseline Scenario*: The central or most likely forecast of economic conditions based on current data and expected trends. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting.
- *Upside Scenario*: A more optimistic scenario that assumes favourable economic conditions and improved borrower performance. This scenario typically leads to an improvement in default and recovery rate.
- *Downside Scenario*: A pessimistic scenario that assumes adverse economic conditions, higher risk of borrower default, and worsened financial performance. This scenario typically leads to a deterioration in default and recovery rate.

The link between these macroeconomic scenarios and the ECL measurement is primarily established through modelling default, recovery and prepayment probabilities as well as adjustments to migration matrices of stage definition. This allows for the measurement of expected losses for each scenario.

Each scenario is assigned a probability of occurrence and the weighted average of the ECL from these scenarios is used to determine the impairment allowance for financial assets measured at amortised cost and FVOCI.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Company operates.

Younited has a long observable track record in France where it has been operating since 2011, and is hence using macro-economic forecast, published by the Banque de France, to establish its scenarios and assess potential ECL impacts.

The table below lists the macroeconomic assumptions used in the base case scenarios over the forecast period, on France.

	Actuals[1]	**Forecasts**[1]		
	2024	**2025**	**2026**	**2027**
GDP	1.1%	1.2%	1.6%	1.3%
Inflation	1.8%	1.7%	1.7%	1.9%
Unemployment rate	7.4%	7.9%	7.6%	7.4%
Savings rate	18.0%	17.0%	17.0%	16.4%

(1) Source: Banque de France

Baseline scenario

In the baseline scenario, we assume a slow economic recovery in 2025 and 2026 supported by decreasing unemployment and real wage moderate growth. The geopolitical tensions remain contained without further escalation, and central banks gradually ease monetary policy in 2025.

- *GDP:* Growth is expected to be modest in 2025, burdened by political uncertainties, slowing down household consumption. A rebound is expected in 2026 driven by more favourable financial conditions allowing an increase of private investment.
- *Inflation:* Inflation is projected to decline driven by a downward trend of energy and food prices (with a slower decrease in service prices and industrial goods).
- *Unemployment rate:* The unemployment rate is anticipated to increase in 2025 due to the delayed effect of post-Covid economic slowdown and productivity loss. The unemployment rate is expected to decrease starting in 2026, particularly due to the end of labour hoarding in certain sectors.

- *Consumer Savings*: Consumer savings rates are expected to remain at high levels in 2026, reflecting cautious consumer spending due to economic uncertainty and high inflation, then slightly decreasing as households' purchasing power recovers .

Upside Scenario

The upside scenario envisions a stronger economic recovery driven by improved consumer confidence, robust fiscal support, and easing of supply constraints. This scenario assumes that the central banks successfully manage to reduce inflation without triggering a recession .

- *GDP:* GDP growth accelerates, primarily driven by a faster decline in inflation that boosts consumer confidence and spending. This is supported by a stronger recovery in global trade within the EU, and more aggressive monetary policy easing by the ECB as inflation comes under control. The resolution of current geopolitical tensions significantly improves business sentiment and investment outlook .
- *Inflation:* Inflation falls more rapidly than expected, driven by a combination of stabilizing energy prices, improved supply chain efficiency, and a stronger euro reducing import costs .
- *Unemployment rate:* The labour market shows more resilient improvement. This is achieved through increased business investment in productivity-enhancing technologies and successful implementation of labour market reforms. The economy adapts more quickly to post-Covid structural changes, creating new employment opportunities across sectors .
- *Consumer Savings:* Consumer behavior shifts more positively. This reflects restored consumer confidence, release of pent-up demand, and improved real wage growth, all contributing to a virtuous cycle of economic expansion .

Downside Scenario

In the downside scenario, the geopolitical and economic uncertainties materialize: the economic environment deteriorates due to escalated geopolitical tensions, a deeper energy crisis, or a sharp tightening of financial conditions. This scenario reflects a significant shock to the economy, resembling a severe recession.

- *GDP:* GDP growth stalls in 2025-2026, undermined by political turmoil, fear of a debt crisis and renewed geopolitical tensions affecting trade and energy prices. The persistent impact of high interest rates weighs heavily on business investment, while weaker global demand, particularly from key trading partners, hampers export growth.
- *Inflation:* Inflation remains elevated 2025. This persistence stems from new energy price shocks and continued supply chain disruptions. A rise in global commercial tensions, marked by the Trump administration's aggressive trade policies and retaliatory tariffs, leads to higher import costs across multiple sectors. A weaker euro further compounds these pressures by increasing import costs, forcing the ECB to maintain a tighter monetary stance for longer.
- *Unemployment rate:* Extended business uncertainty leads to delayed hiring decisions, while accelerated automation in response to cost pressures displaces workers in traditional sectors. Structural changes in key industries like retail and tourism create additional employment challenges.
- *Consumer Savings:* Consumer caution intensifies, reflecting heightened economic uncertainty, reduced real disposable income, and a general reluctance to make major purchasing decisions. The combination of these factors creates a self-reinforcing cycle of weak demand and economic stagnation.

Scenario weighting

Younited has taken a balanced approach in its scenario weighting, reflecting a rather cautious outlook for economic recovery tempered by awareness of potential downside risks.

The scenario probability weightings applied in measuring ECL are as follows:

	As at December 31, 2024		
	Upside	Central	Downside
Scenario probability weighting	0%	50%	50%

Sensitivity of ECL to future economic conditions

Predicted relationships between the key indicators and default and loss rates of financial assets have been considered based on analysing historical data over the past 10 years.

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognized on material classes of its assets.

The table below shows the loss allowance for ECL on loans and advances to customers assuming each forward-looking scenario (e.g. central, upside and downside) were weighted 100%. For ease of comparison, the table also includes the probability-weighted amounts that are reflected in the financial statements.

	As at December 31, 2024			
(in € thousands)	Upside	Central	Downside	Probability-weighted
Gross carrying amount	923,891	923,891	923,891	923,891
Loss allowance	(181,861)	(194,023)	(206,607)	(200,315)
Proportion of assets in Stage 2	16%	16%	16%	

	As at December 31, 2023			
(in € thousands)	Upside	Central	Downside	Probability-weighted
Gross carrying amount	1,078,309	1,078,309	1,078,309	1,078,309
Loss allowance	(239,878)	(254,972)	(270,760)	(262,866)
Proportion of assets in Stage 2	17%	17%	17%	

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. ECL for exposures in stage 2 are calculated by multiplying the lifetime PD by LGD and EAD. ECL for exposures in stage 3 are calculated by multiplying LGD by EAD. The methodology for estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure and the seniority of the claim. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Loss allowance on loans and advances to customers at amortised cost

	2024			
(in € thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers at amortised cost				
Balance at January 1	9,851	16,159	80,664	**106,674**
Transfer to Stage 1	3 830	*(3,241)*	*(589)*	-
Transfer to Stage 2	*(1,407)*	1 921	*(514)*	-
Transfer to Stage 3	*(875)*	*(4,704)*	5 579	-
Financial assets that have been derecognized	(95)	(313)	(32,157)	**(32,565)**
New financial assets originated or purchased	2,546	662	995	**4,204**
o/w originated	*2,546*	*662*	*995*	***4,204***
o/w purchased	-	-	-	-
Net remeasurement of loss allowance	(4,803)	(1,978)	24,989	**18,209**
Balance at December 31	**7,500**	**14,531**	**74,491**	**96,522**

	2023			
(in € thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers at amortised cost				
Balance at January 1	12,047	21,266	45,839	**79,152**
Transfer to Stage 1	*4 756*	*(4,512)*	*(243)*	-
Transfer to Stage 2	*(2,081)*	*2 798*	*(717)*	-
Transfer to Stage 3	*(1,202)*	*(7,052)*	*8 254*	-
Financial assets that have been derecognized	196	(62)	(2,954)	**(2,820)**
New financial assets originated or purchased	5,232	2,595	1,438	**9,265**
o/w originated	*4,834*	*1,904*	*418*	***7,156***
o/w purchased	*398*	*690*	*1,020*	***2,108***
Net remeasurement of loss allowance	(7,624)	(7,639)	36,341	**21,077**
Balance at December 31	**9,851**	**16,159**	**80,664**	**106,674**

Loss allowance on loans and advances to customers at FVOCI

	2024			
(in € thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers at FVOCI				
Balance at January 1	12,844	13,556	129,791	**156,192**
Transfer to Stage 1	*2 587*	*(2,587)*	-	-
Transfer to Stage 2	*(1,083)*	*1 349*	*(266)*	-
Transfer to Stage 3	*(720)*	*(4,063)*	*4 783*	-
Financial assets that have been derecognized	(1,355)	(148)	(81,949)	**(83,452)**
New financial assets originated or purchased	6,460	3,388	15,542	**25,389**
o/w originated	*5,921*	*2,248*	*2,329*	***10,497***
o/w purchased	*539*	*1,140*	*13,213*	***14,892***
Net remeasurement of loss allowance	(8,082)	(3,912)	17,659	**5,665**
Balance at December 31	**9,867**	**12,884**	**81,043**	**103,794**

	2023			
(in € thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers at FVOCI				
Balance at January 1	15,122	9,133	102,742	**126,997**
Transfer to Stage 1	*3 587*	*(3,238)*	*(349)*	*-*
Transfer to Stage 2	*(2,191)*	*2 624*	*(433)*	*-*
Transfer to Stage 3	*(1,021)*	*(6,800)*	*7 820*	*-*
Financial assets that have been derecognized	(1,316)	(3,122)	(2,121)	**(6,559)**
New financial assets originated or purchased	9,833	5,275	972	**16,080**
o/w originated	*9,497*	*2,653*	*720*	***12,870***
o/w purchased	*336*	*2,622*	*252*	***3,210***
Net remeasurement of loss allowance	(10,795)	2,271	28,198	**19,674**
Balance at December 31	**12,844**	**13,556**	**129,791**	**156,192**

The following table provides a reconciliation between:

- amounts shown in the above tables reconciling opening and closing balances of loss allowance for ECL per class of financial instrument; and
- the 'impairment losses on financial instruments' line item in the consolidated statement of profit or loss.

	Twelve-month period ended December 31, 2024		
(in € thousands)	**Loans and advances to customers at amortised cost**	**Loans and advances to customers at FVOCI**	**Total**
Derecognized financial assets	(32,565)	(83,452)	(116,017)
New financial assets originated or purchased	18,209	5,665	23,874
Net remeasurement of loss allowance	4,204	25,389	29,593
	(10,152)	**(52,398)**	**(62,550)**
Write-offs	32,078	86,654	118,732
Non-performing loans purchased	-	(9,680)	(9,680)
Impairment losses on financial instrument	**21,926**	**24,576**	**46,502**

	Twelve-month period ended December 31, 2023		
(in € thousands)	**Loans and advances to customers at amortised cost**	**Loans and advances to customers at FVOCI**	**Total**
Derecognized financial assets	(2,820)	(6,559)	**(9,378)**
New financial assets originated or purchased	9,265	16,080	**25,345**
Net remeasurement of loss allowance	21,077	19,674	**40,751**
	27,522	**29,195**	**56,718**
Write-offs	1,238	659	**1,897**
Non-performing loans purchased	-	(724)	**(724)**
Impairment losses on financial instrument	**28,760**	**29,130**	**57,890**

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the net carrying amount of credit impaired loans and advances to customers.

(in € thousands)	2024	2023
Credit-impaired loans and advances to customers at January 1 at amortised cost	11,094	9,613
Net repayments	(593)	(346)
Disposals	(3,444)	(14)
Declassified as credit-impaired during the year	(1,067)	(622)
Classified as credit-impaired during the year	7,469	11,665
Change in ECL allowance	(2,758)	(9,202)
Credit-impaired loans and advances to customers at December 31 at amortised cost	**10,700**	**11,094**

(in € thousands)	2024	2023
Credit-impaired loans and advances to customers at January 1 at FVOCI	22,702	19,958
Net repayments	(861)	(2,151)
Disposals	(11,771)	(99)
Declassified as credit-impaired during the year	(1,133)	(879)
Classified as credit-impaired during the year	8,158	5,249
Net remeasurement of fair value	(2,296)	624
Credit-impaired loans and advances to customers at December 31at FVOCI	**14,800**	**22,702**

4.1.3 *Concentration of credit risk*

The Group monitors concentrations of credit risk by customer profiles and by geography. An analysis of concentrations of credit risk from loans and advances to customers is shown below.

	As at December 31,	
(in € thousands)	2024	2023
Net carrying amount	733,038	816,634
Concentration by sector		
Retail (unsecured)	733,038	816,634
Concentration by location		
France	266,828	197,266
Italy	191,007	278,270
Spain	115,642	142,506
Portugal	70,288	78,030
Germany	89,273	120,562
	733,038	**816,634**

An analysis of concentration of credit risk from cash and cash equivalents is presented below.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Line items included in Cash and Cash equivalents		
Cash, due from central banks	193,433	236,756
Loans and advances to financial institutions	83,413	73,525
Total Cash and Cash equivalents	**276,846**	**310,281**
Concentration by location		
France	258,450	310,281
Other	18,396	-
	276,846	**310,281**

4.2 Liquidity risk

For information on the Group's "Financial risk management framework", see Note 23.

4.2.1 *Exposure to liquidity risk*

The key measure used by the Group for managing liquidity risk is the coverage of net liquid assets to deposits from customers and short-term funding. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market. 'Deposits from customers and short-term funding' includes deposits from banks, customers, other borrowings and commitments maturing within the next month.

Details of the reported Group net liquid assets at the reporting date and during the reporting period were as follows:

	As at December 31,	
(in € thousands)	**2024**	**2023**
At closing	276,846	310,281
Average for the year	264,552	249,923
Maximum for the year	352,479	310,281
Minimum for the year	178,410	137,922

The coverage in amounts is detailed in the note thereafter.

4.2.2 *Maturity analysis for financial liabilities and financial assets*

The following tables set out the remaining contractual maturities of the Group's financial liabilities and financial assets.

(in € thousands)	As at December 31, 2024						
	Carrying amount	**Gross nominal inflow**	**Less than 1 month**	**1 - 3 months**	**3 months - 1 year**	**1 - 5 years**	**More than 5 years**
Financial assets							
Cash, due from central banks	193,433	193,433	193,433	-	-	-	-
Financial assets at FVTPL	86,837	86,837	86,837	-	-	-	-
Loans and advances to financial institutions	83,413	83,413	83,413	-	-	-	-
Loans and advances to customers	733,038	810,468	28,432	58,233	223,452	474,818	25,534
Other assets	81,870	84,905	1,791	15,417	33,961	33,654	82
Incl. Contract assets	*41,270*	*44,304*	*1,360*	*2,719*	*12,236*	*27,908*	*82*
Total	**1,178,591**	**1,259,056**	**393,906**	**73,650**	**257,413**	**508,472**	**25,616**
Financial liabilities							
Financial liabilities at FVTPL	12,181	12,181	12,181	-	-	-	-
Loans from financial institutions	60,611	65,480	1,585	3,125	13,119	47,652	-
Deposits from deposit holders	832,722	860,465	15,107	177,503	326,203	341,651	-
Other liabilities	79,846	80,202	44,586	24,171	1,950	9,495	-
Incl. Lease liabilities	*13,005*	*13,361*	*954*	*962*	*1,950*	*9,495*	-
Total	**985,360**	**1,018,327**	**73,459**	**204,799**	**341,271**	**398,798**	**-**

	As at December 31, 2023						
(in € thousands)	**Carrying amount**	**Gross nominal inflow**	**Less than 1 month**	**1 - 3 months**	**3 months - 1 year**	**1 - 5 years**	**More than 5 years**
Financial assets							
Cash, due from central banks	236,756	236,756	236,756	-	-	-	-
Financial assets at FVTPL	135,403	135,403	135,403	-	-	-	-
Loans and advances to financial institutions	73,525	73,525	73,525	-	-	-	-
Loans and advances to customers	816,634	911,933	28,907	58,580	231,093	554,296	39,057
Other assets	85,537	87,819	1,547	16,943	30,366	38,856	106
Incl. Contract assets	*48,457*	*50,739*	*1,368*	*2,737*	*12,316*	*34,317*	-
Total	**1,347,854**	**1,445,434**	**476,137**	**75,523**	**261,459**	**593,152**	**39,163**
Financial liabilities							
Financial liabilities at FVTPL	-	-	-	-	-	-	-
Loans from financial institutions	60,033	65,730	1,219	2,429	10,742	51,340	-
Deposits from deposit holders	1,126,252	1,165,616	9,901	101,472	503,098	551,145	-
Other liabilities	68,840	69,394	34,740	19,843	2,004	12,807	-
Incl. Lease liabilities	*16,133*	*16,687*	*927*	*949*	*2,004*	*12,807*	-
Total	**1,255,125**	**1,300,740**	**45,860**	**123,744**	**515,844**	**615,292**	**-**

The amounts stated above relates to financial instruments and have been compiled based on their undiscounted cashflows.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- Loans and advances to customers have an original contractual maturity of between 5 and 7 years but an average duration of less than two years because customers take advantage of early repayment options.
- Subscription rate of insurance contracts, extinguishment of insurance contracts and early repayment on loans behaviour of consumers have impacts on the timing and magnitude of contractual cash flows of insurance brokerage fees.

The following table sets out the carrying amounts of financial assets and financial liabilities expected to be recovered or settled less than 12 months after the reporting date.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Financial assets		
Cash, due from central banks	193,433	236,756
Financial assets at FVTPL	86,837	135,403
Loans and advances to financial institutions	83,413	73,525
Loans and advances to customers	310,117	311,020
Other assets	51,169	48,667
Incl. Contract assets	*16,314*	*16,233*
Total	**724,968**	**805,370**
Financial liabilities		
Financial liabilities at FVTPL	12,181	-
Deposits from financial institutions	18,662	14,390
Deposits from deposit holders	518,813	614,471
Other liabilities	64,008	53,534
Incl. Lease liabilities	*3,698*	*3,667*
Total	**613,664**	**682,395**

The following table sets out the carrying amounts of financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Financial assets		
Loans and advances to customers	422,921	505,614
Other assets	30,702	36,870
Incl. Contract assets	*24,956*	*32,224*
Total	**453,623**	**542,484**
Financial liabilities		
Deposits from financial institutions	41,949	45,643
Deposits from deposit holders	313,909	511,781
Other liabilities	15,838	15,306
Incl. Lease liabilities	*9,307*	*12,466*
Total	**371,696**	**572,730**

4.2.3 *Liquidity reserves*

As part of the management of liquidity risk arising from financial liabilities, the Group holds at all times enough liquid assets comprising cash and cash equivalents, which can be readily sold to meet liquidity requirements to cover a short-term stressed outflows scenario. In addition, the Group maintains agreed and committed lines of credit with other banks and holds unencumbered assets eligible for use as collateral for drawing on those credit lines (these amounts are referred to as the 'Group's liquidity reserves').

The following table sets out the components of the Group's liquidity reserves.

Liquidity reserves

	As at December 31,			
	2024		2023	
(in € thousands)	Carrying amount	Fair value	Carrying amount	Fair value
Cash, due from central banks	193,433	193,433	236,756	236,756
Loans and advances to financial institutions	83,413	83,413	73,525	73,525
Undrawn credit lines granted	74,480	74,480	55,010	55,010
Other assets eligible to HQLA	28,633	28,633	27,805	27,805
Total liquidity reserves	**379,960**	**379,960**	**393,095**	**393,095**

(1) High Quality Liquid Assets

4.3 Market risk

For the definition of market risk and information on how the Group manages the market risks, see Note 23 “Financial Risk Management - Market risk”.

The sole type of market risk to which the Group is exposed is the interest rate risk. The Group is not exposed to any customer concentration risk and the countries in which it operates are deemed politically stable.

Loans and advances to customers at amortised costs are at a fixed interest rate. Prepayment penalties are designed to cover the unpaid interest over the remaining maturity of the loan at the time of prepayment, which consequently prevents arbitrage opportunities in case of interest rate fluctuations. Deposits from deposit holders also are at fixed interest rate, although with no option for early repayment.

Given the information above, the Group considers that loans and advances to customers at amortised cost and deposits from deposit holders are not subject to material interest rate risk.

The following table sets out the allocation of assets and liabilities subject to interest rate risk:

	As at December 31,	
(in € thousands)	2024	2023
Assets		
Financial assets at FVTPL	86,837	135,403
Loans and advances to customers at FVOCI	458,150	477,287
Loans and advances to customers at amortized cost	274,888	339,347
Total	**819,875**	**612,690**
Liabilities		
Financial liabilities at FVTPL	12,181	-
Total	**12,181**	**-**

Financial assets at FVTPL are investment securities which consist of shares of HQLA fund and securitisation fund. The shares issued by these securitisation funds are redeemable within the next 7 business days following their issuance. Exposure to interest rate risk is therefore minor.

A sensitivity analysis regarding loans and advances to customers at FVOCI is disclosed in note 6.

4.4 Capital management

The Autorité de Contrôle Prudentiel et de Résolution ('ACPR'), Younited S.A.'s lead regulator, sets and monitors capital requirements for the Group.

The ACPR adopted the Basel III capital requirements with effect from 1 January 2015. Younited S.A. reports to the ACPR on the basis of Younited S.A. statutory financial statements under French generally accepted accounting principles.

Younited S.A. uses the Standard Approach (SA) for the evaluation of its risk-weighted assets for credit risk and its operational risk obligations.

Younited S.A.'s regulatory capital consists only of Common Equity Tier 1 capital. The later includes ordinary share capital, related share premiums, retained earnings and reserves after adjustment for dividends proposed after the year end and deductions for intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

The lead regulator's approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the capital resources requirement to available capital resources. The lead regulator sets Pillar 2 Guidance (P2G) and Pillar 2 Requirements (P2R) for each bank and banking group in excess of the minimum capital resources requirement of 8%. The P2G is determined by the combination of a quantitative stress-test that is reviewed and adapted during a process determined by the European Banking Authority (EBA) and the P2R is the result of the SREP ("Supervisory Review and Evaluation Process") as evaluated and reviewed by the ACPR.

Note 5 Operating segments

Pursuant to IFRS 8, operating segments are components of a group for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker ("CODM") to assess performance and allocate resources.

According to IFRS 8, segment information is based on internal management information used by the Board of Directors, the Group's operating decision-maker. The Group is managed on a basis reflecting its global activity which is then classified as a single operating segment.

The table below sets out a breakdown of assets and liabilities of the Group by country. Such breakdown is not representative of segment information and only corresponds to geographical areas where our branches are located.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Assets		
France	698,558	745,799
Italy	212,379	295,264
Spain	125,810	151,077
Germany	71,634	122,497
Portugal	97,671	84,336
Others	18,396	-
TOTAL ASSETS	**1,224,448**	**1,398,973**
Liabilities		
France	(943,872)	(1,245,488)
Italy	(11,147)	(9,432)
Spain	(2,525)	(2,072)
Germany	(2,186)	3,164
Portugal	4,023	(1,763)
Others	(30,268)	-
TOTAL LIABILITIES	**(985,975)**	**(1,255,591)**

The table below sets out a breakdown of revenue of the Group by country. Such breakdown is not representative of segment information and only corresponds to geographical areas where our branches are located.

	As at December 31,	
(in € thousands)	**2024**	**2023**
France	45,227	46,418
Italy	24,493	29,658
Spain	13,705	14,993
Germany	6,511	3,652
Portugal	4,479	7,033
Others	256	-
Total Revenue	**94,671**	**101,755**
Including Income from other activities	*45,563*	*42,886*

Note 6 Fair value of financial instruments

6.1 Determining fair value of financial instruments

IFRS 13 'Fair-value measurement' defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
At initial recognition of a financial asset or liability, its fair value is assumed to be the transaction price.

During subsequent measurements, the standard recommends giving priority to quoted prices in active markets to determine the fair value of a financial asset or liability, or, if these data are not available, to valuation techniques based on observable market inputs.

An active market is defined as one in which transactions take place for the asset or liability with sufficient frequency and trading volume to provide continuous price information. In application of this definition, a market will be considered as active if the prices are easily and regularly available from a stock market, broker, trader, negotiator or regulatory agency, and if these prices represent actual and regular transactions on the market under normal competitive conditions.

In the absence of an active market, the most commonly used valuation techniques include reference to recent transactions in a normal market context, the fair values of similar instruments, discounted cash flow models and option pricing models, or the use of internal models in the case of valuations based on meaningful unobservable inputs of the value of the instruments concerned.

For the needs of financial reporting, IFRS 13 'Fair-value measurement' introduces a three-level fair value hierarchy, based on the decreasing order of observability of the values and parameters used for valuation. Some instruments can use inputs available at several levels, in which case the fair value measurement is categorised at the lowest level input that is significant to the entire measurement, based on the application of judgment.

Level 1: fair value is determined using quoted prices in an active market that are immediately accessible and directly usable.

Level 2: the instruments are measured using valuation techniques whose significant inputs are observable on the markets, directly (prices) or indirectly (derived from prices).

Level 3: this level includes the instruments valued on the basis of significant parameters that are not observable on the markets, for example in the absence of liquidity of the instrument, risks inherent in measurement model or in the inputs used. Unobservable inputs shall be the subject of internal assumptions that best reflect the assumptions that market participants would use when pricing the asset or liability. Developing these assumptions calls for judgment.

Investment securities measured at FVTPL are ranked level 1, while loans and advances to customers are categorised in level 3.

The following table provides the breakdown of financial instruments measured at fair value at each reporting date, by their level in the fair value hierarchy. The amounts are based on the values recorded in the consolidated statement of financial position.

(in € thousands)	As of December 31, 2024 Level 1	Level 3	Total
Loans and advances to customers at FVOCI			
Retail customers	-	458,150	**458,150**
Financial assets at FVTPL			
Financial assets at FVTPL	86,837	-	**86,837**
Financial liabilities at FVTPL			
Public warrants	-	5,883	**5,883**
Sponsor warrants	-	6,298	**6,298**
Total	**86,837**	**470,331**	**557,168**

(in € thousands)	As of December 31, 2023 Level 1	Level 3	Total
Loans and advances to customers at FVOCI			
Retail customers	-	477,287	**477,287**
Financial assets at FVTPL			
Financial assets at FVTPL	135,403	-	**135,403**
Total	**135,403**	**477,287**	**612,690**

Financial assets not measured at fair value and included in captions Cash due from Central Banks, Loans and advances to financial institutions and other assets consist of short-term instruments which fair value approximate their net carrying amount due to their short-term nature.

6.2 Level 3 fair value measurements

6.2.1 *Reconciliation*

The following table shows a reconciliation from the beginning to the ending balances of financial instruments measured at fair value:

(in € thousands)	2024 Loans and advances to customers at FVOCI	Financial liabilities at FVTPL	Total
Balance at January 1	477,287	-	477,287
Amortisation and Depreciation	(165,593)	-	(165,593)
Originated or purchased	230,184	12,181	242,365
Derecognized	(92,009)	-	(92,009)
FV remeasurement	8,281	-	8,281
Balance at December 31	**458,150**	**12,181**	**470,331**
Total gains or losses recognized in profit or loss	(2,898)	-	(2,898)
Net change in FVOCI	8,281	-	8,281

(in € thousands)	2023 Loans and advances to customers at FVOCI	Financial liabilities at FVTPL	Total
Balance at January 1	566,425	-	**566,425**
Amortisation and Depreciation	(222,366)	-	**(222,366)**
Originated or purchased	229,082	-	**229,082**
Derecognized	(117,196)	-	**(117,196)**
FV remeasurement	21,342	-	**21,342**
Balance at December 31	**477,287**	**-**	**477,287**
Total gains or losses recognized in profit or loss	5,318	-	5,318
Net change in FVOCI	16,024	-	16,024

6.2.2 *Unobservable inputs used in measuring fair value*

The following table sets out information about significant unobservable inputs in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

	As at December 31, 2024							
	Valuation method	Significant unobservable input	Value	Effect on OCI		Effect on P&L		Sensitivity performed
				Upward	Downward	Upward	Downward	
Loans and advances to customers at FVOCI	Discounted cash flow	Credit risk-adjusted discount rate	6.4%	6,775	(6,539)	-	-	+/- 100 bps
		Total		**6,775**	**(6,539)**	**-**	**-**	
Financial liabilities at FVTPL	Black-scholes Option Pricing Model	Underlying FV	6.43	-	-	1,991	(1,836)	+/- 5%
		Unlevered volatility	28.7%	-	-	887	(899)	+/- 1pp
		Total		**-**	**-**	**2,878**	**(2,734)**	
Total				**6,775**	**(6,539)**	**2,878**	**(2,734)**	

	As at December 31, 2023							
	Valuation method	Significant unobservable input	Value	Effect on OCI		Effect on P&L		Sensitivity performed
				Upward	Downward	Upward	Downward	
December 31, 2023								
Loans and advances to customers at FVOCI	Discounted cash flow	Credit risk-adjusted discount rate	7.0%	7,597	(6,982)	-	-	+/- 100 bps
		Total		**7,597**	**(6,982)**	**-**	**-**	

6.3 Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy in which each fair value measurement is categorised:

	As at December 31, 2024				
(in € thousands)	**Valuation technique**	**Significant unobservable input**	**Level 3**	**Total fair value**	**Total carrying amount**
Assets					
Loans and advances to customers at amortized cost	Discounted cash flow	Credit risk-adjusted discount rate	274,913	274,913	274,888
Liabilities					
Loans and deposits from financial institutions	Discounted cash flow	Discount rate	60,611	60,611	60,611
Deposits from deposit holders	Discounted cash flow	Discount rate	836,878	836,878	832,722

	As at December 31, 2023				
(in € thousands)	**Valuation technique**	**Significant unobservable input**	**Level 3**	**Total fair value**	**Total carrying amount**
Assets					
Loans and advances to customers at amortized costF	Discounted cash flow	Credit risk-adjusted discount rate	334,084	334,084	339,347
Liabilities					
Loans and deposits from financial institutions	Discounted cash flow	Credit risk-adjusted discount rate	60,033	60,033	60,033
Deposits from deposit holders	Discounted cash flow	Discount rate	1,163,485	1,163,485	1,126,252

Note 7 Net interest income

Interest income and expense are accounted for in profit or loss for all the financial instruments measured at amortized cost and fair value through recyclable equity, using the effective interest rate method.

The “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument in such a way as to obtain the gross carrying amount (or amortized cost) of the financial asset (or liability).

The calculation of this rate takes into account of all the contractual terms of the financial instrument (e.g. early repayment options, extension options, etc.) and includes all the commissions and costs received or paid that are by nature an integral part of the effective rate, together with transaction costs, premiums, or discounts.

In the particular case of purchased or originated credit-impaired financial assets, the effective interest rate also takes into account the expected credit losses in estimations of future cash flows.

The tables below set out the breakdown of interest income and expense by underlying type of financial instruments:

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Interest income		
Cash, due from central banks	8,834	6,564
Financial assets measured at amortised cost	34,978	32,290
Financial assets measured at FVOCI	30,000	44,627
Total interest income	**73,813**	**83,481**
Interest expense		
Financial liabilities measured at amortised cost	(30,437)	(22,092)
Total interest expense	**(30,437)**	**(22,092)**
Net interest income	**43,375**	**61,389**

Note 8 Net income from financial instruments at FVTPL

Income from financial instruments measured at fair value through profit or loss includes (i) changes in fair value recognized in profit or loss as they arise (ii) interest income accrued on debt instruments measured at FVTPL, (iii) dividends received on equity instruments measured at FVTPL, recognized in profit or loss when the Group's right to receive payment is established and (iv) realized gains and losses on disposal of these financial instruments.

Fair value changes are measured in accordance with IFRS 13 'Fair-value measurement' as detailed in Note 6.

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Net income from financial instruments mandatorily measured at FVTPL		
Financial assets at FVTPL:	2,835	2,799
Shares in securitisation funds (SPV shares)	*2,638*	*2,471*
HQLA	*197*	*327*

Note 9 Revenue from contracts with customers

Income from other activities

Income from other activities is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies under IFRS 15
Access to the platform	The Group sells access to the Younited Credit platform to its B2B partners allowing them to provide credit offers to their clients. Such service is paid by the partners either through a license fee or through a transaction-based fee corresponding to a percentage of the credit sold by the partner.	Revenue from "Access to the platform" is recognized over time as the services are provided. Revenue related to transactions is recognized point in time when the transaction takes place.
Professional services	As part of the access to the Younited Credit platform to its B2B partners, the Group provides professional services surrounding personalisation of the platform and/or specific request to develop features to the platform. Such services are invoiced on an individual basis as the services are delivered.	Revenue from "Professional services" is recognized point in time or over the duration of the services delivered.
Insurance distribution	The Group offers insurance distribution services whereby it acts as an intermediary distributor between customers and an insurance Group to sell insurance coverage of the corresponding loans originated. Younited does not assume any insurance like risk. The Group receives fees as a fixed percentage of monthly premium payments as well as a portion of insurance profit sharing from the insurance company.	Revenue from "Insurance distribution services" is recognized point in time as the brokerage services are performed at the inception of the loan contract.
Leads sales	Leads sales consist in sales of leads to other financial institutions as Younited does not cover this segment.	Revenue from "Leads sales" is recognized point in time when the transaction takes place.
Sub-rent income	Income from subletting consists of renting a part of the building that is not used by Younited. As Younited retains substantially all the risks and rewards of the leased asset, the lease can be classified as an operating lease.	Revenue from "Sub-rent income" is recognized over time on the lease duration contract.
Asset management	The group provides asset management services. Such fees are calculated based on a fixed percentage of the value of assets managed.	Revenue from "SPV management" is recognized over time on a straight-line basis as the service is provided

Trade receivables and Contract assets

The timing of income recognition may differ from the timing of customer invoicing. Receivables represent an unconditional right to receive the contractual consideration. On the other hand, contract assets refer to revenue amounts recognized under IFRS 15 'Revenue from contracts with customers' but for which the right to the contractual consideration is not yet acquired. Trade receivables and contract assets are included in the Other assets line item in the consolidated statement of financial position.

9.1 Breakdown by type of service

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Access to the platform	12,112	7,525
Professional services	1,200	624
Insurance distribution	13,046	18,943
Leads sales	5,986	7,059
Sub-rent income	3,103	2,033
Asset management	4,868	4,323
Other	5,249	2,378
Total Income from other activities	**45,563**	**42,886**

9.2 Trade receivables and contract assets

	As at December 31,	
(in € thousands)	**2024**	**2023**
Trade receivables	15,732	16,044
Contract assets	41,270	48,563

Note 10 Personnel expense

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Wages and salaries	(25,105)	(25,260)
Social security contributions	(10,928)	(8,480)
Equity-settled share-based expenses[(1)]	(1,772)	(2,882)
Expenses related to post-employment defined benefit plans	(47)	(45)
Total Personnel Expense	**(37,851)**	**(36,667)**

(1) Equity settled share-based expenses are covered in Note 12.

10.1 Wages and salaries and social security contributions

Salaries and social expenses

Salaries and social expenses include all remuneration paid to employees during the period, together with the related social security contributions. Personnel expenses are recognized in profit or loss as incurred. They include wages, salaries, bonuses, paid leave, and other short-term employee benefits. Social security contributions are recognized based on remuneration incurred and in accordance with the legal and contractual obligations applicable in each jurisdiction where the Group operates. Paid leave and other short-term employee benefits are accounted for using the accrual method and recognized as a liability when they are due but not yet settled at the reporting date.

Wages and salaries expenses amounted to €25,105 thousands for the year ended December 31, 2024 as compared to €25,260 for the year ended December 31, 2023. Social security contributions amounted to €10,928 for the year ended December 31, 2024 as compared to €8,480 for the year ended December 31, 2023.

10.2 Defined benefit plans

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's net obligation under its sole defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

(in € thousands)	**2024**	**2023**
Evolution of employee benefits liability		
As of January 1	(180)	(109)
Service cost	(47)	(45)
Interest expense	(6)	(4)
Actuarial gains or losses	48	*(22)*
As at December 31	**(185)**	**(180)**
Charge included in consolidated statement of profit or loss		
Service cost	(47)	(45)
Interest expense	(6)	(4)
Expense for the year	**(53)**	**(49)**

Included in other comprehensive income		
Effect of changes in financial assumptions	48	(22)

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	As at December 31,	
	2024	**2023**
Discount rate	3.4%	3.2%
Future salary growth	5%	5%
Retirement age	65 ans	65 ans
Mortality table	TH/F 00-02	TH/F 00-02

Note 11 Other operating expenses

Other operating expenses

Other operating expenses are recognized in profit or loss when incurred. They include external services, fees, travel expenses, communication costs, office expenses, rental costs (when not accounted for as leases under IFRS 16 'Leases'), insurance premiums, and other operational costs.

Expenses are recorded on an accrual basis, reflecting the consumption of services or the benefit received during the period.

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
General administrative expenses	(33,790)	(31,599)
Software licensing and other IT costs	(1,235)	(2,166)
Other expenses	(1,061)	(632)
Listing expense[(1)]	(29,934)	-
Total	**(66,020)**	**(34,397)**

(1) *Listing expense is detailed in Note 3.*

Note 12 Share-based payments arrangements

Share-based payments arrangements

In accordance with IFRS 2 'Share-based payment', equity share-based payments are measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using appropriate valuation models, taking into account the terms and conditions of the grant.

The fair value of the share-based payment is recognized as an expense in the income statement over the vesting period when the service or performance conditions are fulfilled, with a corresponding increase in equity. For share-based payments granted to non-employees, the expense is recognized over the period in which the services are rendered or as the Group receives the benefit.

At each reporting date, the Group reassesses its estimates of the number of instruments expected to vest, and any adjustments are recognized in profit or loss over the remaining vesting period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition or a non-vesting condition.

Cash-settled share-based payment arrangements, if any, are measured at fair value at each reporting date, with the corresponding liability recognized in the balance sheet and changes in fair value recognized in profit or loss.

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Management incentive plan	(1,055)	-
Listing expense[(1)]	(29,934)	-
Management incentive plans prior to the closing	(717)	(2,882)
Total	**(31,706)**	**(2,882)**

(1) *Listing expense is detailed in Note 3*

12.1 Reconciliation of equity-settled share-based payments awards

Below is the reconciliation of the free share awards for the years ended December 31, 2024 and 2023. Fair value is measured at grant date of the instrument.

	2024			2023		
	Number of Awards	**Weighted average FV (in €)**	**Total FV (in € thousand)**	**Number of Awards**	**Weighted average FV (in €)**	**Total FV (in € thousand)**
Outstanding at January 1	**57,223**	80.9	**4,630**	**36,352**	262.4	**9,537**
Granted during the year	708,625	3.1	2,225	39,855	1.0	40
Exercised during the year	(25,668)	179.2	(4,599)	(18,598)	260.5	(4,845)
Forfeited during the year	(36,259)	1.0	(36)	(386)	264.3	(102)
Outstanding at December 31	**703,921**	**3.2**	**2,220**	**57,223**	**80.9**	**4,630**

Below is the reconciliation of the option awards for the years ended December 31, 2024 and 2023.

	2024		2023	
	Number of options	**Weighted average exercice price**	**Number of options**	**Weighted average exercice price**
Outstanding at January 1	**133,048**	**194.7**	**134,469**	194.5
Granted during the year	-	-	-	-
Exercised during the year	-	-	(263)	106.4
Forfeited during the year	(133,048)	194.7	(1,158)	192.2
Outstanding at December 31	-	-	**133,048**	**194.7**

12.2 Management incentive plan

The Group has implemented a share-based compensation plan under which eligible employees receive free share awards. A portion of these awards vests 12 months after the grant date without any performance or service conditions, while the remainer consists of Class C Shares. The conversion of Class C Shares into Company Ordinary Shares is contingent on (i) achieving performance market conditions (€10, €13, and €16 for Class C1, Class C2, and Class C3, respectively) within the 36 months post-closing, and (ii) on a service condition as beneficiaries must have been continuously employed at the time the market condition is satisfied.

Under IFRS 2 'Share-based payment' the management incentive plan is classified as an equity-settled share-based payment as settlement occurs in shares of the Company rather than in cash.

The Management Incentive Plan represents a total of 356,784 Company Ordinary Shares and 1,084,892 Class C Shares, of which 160,509 Ordinary Shares and 543,412 Class C Shares (ow. 25% of Class C1, 25% of Class C2 and 50% of Class C3) were granted by the Board of Directors held December 19, 2024. The fair value of the consideration granted by the Board of Directors was determined by an independent valuation specialist at €6.43 per Ordinary Share and €2.81, €2.24, and €1.85 per Class C1, Class C2, and Class C3 Shares, respectively. This results in an overall share-based payment of €2,220 thousand.

The Ordinary Shares are considered fully vested at grant, as no performance or service conditions apply whereas the estimated vesting periods for each Class C Share category have been determined based on the expected time for satisfaction of performance conditions as set out in the workings performed by the independent valuation specialist. The vesting period is estimated at 1.29 years for Class C1 Shares, 1.56 years for Class C2 Shares, and 1.78 years for Class C3 Shares.

	Ordinary Shares	Class C-1	Class C-2	Class C-3
Grant date	12/19/2024	12/19/2024	12/19/2024	12/19/2024
Number of instruments granted	160,509	136,029	136,029	271,354
Number of instruments received	-	-	-	-
Number of instruments forfeited	-	-	-	-
Vesting period (years)	1.00	1.29	1.56	1.78
Conservation period	N/A	N/A	N/A	N/A
Fair value at grant date (€)	6.43	2.81	2.24	1.85

The table below reflect the expense included in the financial statements regarding the plan:

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Management incentive plan	(1,055)	-
Total	**(1,055)**	**-**

Valuation assumptions used to develop the estimate are detailed below:

	Class C-1	Class C-2	Class C-3
Grant date	12/19/2024	12/19/2024	12/19/2024
Valuation method	Monte Carlo	Monte Carlo	Monte Carlo
Risk free rate (%)	2.30%	2.30%	2.30%
Vesting period (years)	1.29	1.56	1.78
Unlevered volatility (%)	28.70%	28.70%	28.70%

12.3 Management incentive plans granted before the Closing Date

The table below details the plans that were in place at the closing date:

	AGA 2022-1	AGA 2022-2	AGA 2022-3	AGA 2023	AGA 2024
Grant date	1/26/2022	4/28/2022	9/22/2022	11/23/2023	3/29/2024
Number of instruments granted	2,845	12,976	2,175	39,855	4,704
Number of instruments received	2,758	12,535	2,075	8,300	-
Number of instruments forfeited	87	441	100	31,555	4,704
Vesting period (years)	2 years	2 years	2 years	1 year	1 year
Conservation period	-	-	-	1 year	1 year
Fair value at grant date (€)	264.30	264.30	264.30	1.00	1.00

Pursuant to the BCA, these share-based payment plans were cancelled, and all unvested instruments as of the closing date were forfeited. In accordance with IFRS 2 'Share-based payment', such cancellation resulted in the accelerated recognition of the remaining expense, which was fully recognized in the consolidated statement of profit or loss at the cancellation date.

The table below details the plans that were in place as at December 31, 2023:

	AGA 2021	AGA 2022-1	AGA 2022-2	AGA 2022-3	AGA 2023
Grant date	5/03/2021	1/26/2022	4/28/2022	9/22/2022	11/23/2023
Number of instruments granted	21,400	2,845	12,976	2,175	39,855
Number of instruments received	18,598	2,758	12,535	-	-
Number of instruments forfeited	2,802	87	441	100	435
Vesting period (years)	2 years	2 years	2 years	2 years	1 year
Conservation period	-	-	-	-	1 year
Fair value at grant date (€)	260.50	264.30	264.30	264.30	1.00

The table below shows the expense recognized in the financial statements for these plans.

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
AGA 2024	(3)	-
AGA 2023	(31)	(4)
AGA 2022-3	(181)	(250)
AGA 2022-2	(479)	(1,490)
AGA 2022-1	(22)	(327)
AGA 2021	-	(812)
Total	**(717)**	**(2,882)**

Note 13 Income taxes

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent of items recognized directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual branches of the Group.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that

it has become probable that taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the following criteria are met:

- The entity has a legally enforceable right to offset current tax assets and liabilities;
- The deferred tax assets and liabilities relate to income tax levied by the same tax authority on the same taxable entity, or on different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously in each period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

13.1 Amounts recognized in profit or loss

	Twelve-month period ended December 31,	
(in € thousands)	**2024**	**2023**
Current year	(466)	(799)
Current tax expense	**(466)**	**(799)**

13.2 Reconciliation of effective tax rate

	As at December 31,	
(in € thousands)	**2024**	**2023**
Loss for the year	**(82,973)**	**(48,881)**
Statutory tax rate in France	25.8%	25.8%
Theoretical income tax benefit (expenses)	**21,407**	**12,623**
Reconciliation between the theoretical tax rate and the effective tax rate		
Effect of tax rates in foreign jurisdictions	521	840
Tax effect of:		
Unrecognized deferred tax assets	(13,741)	(12,719)
Permanent differences	(8,713)	(1,543)
French CVAE	*(211)*	*(284)*
Portugal Taxes	*(255)*	*(515)*
Share-based expenses	*(8,189)*	*(744)*
Other	*2*	
Total income tax expense	**(466)**	**(799)**
Effective tax rate	0.9%	1.6%

13.3 Unrecognized deferred tax assets

	As at December 31,			
	2024		2023	
(in € thousands)	**Gross amount**	**Tax effect**	**Gross amount**	**Tax effect**
Tax losses - France	146,978	37,957	117,696	30,395
Tax losses - Italy	64,850	17,834	46,097	12,677
Tax losses - Spain	40,030	12,009	33,313	9,994
Tax losses - Germany	27,658	8,277	27,658	8,277
Tax losses - Portugal	1,946	409	-	-
Tax losses - Luxembourg	18,668	4,667	-	-
Total	**300,129**	**81,152**	**224,764**	**61,343**

Losses incurred in Luxembourg can be carried forward for up to 17 years, with 2024 being the first year in which losses were recognized in this jurisdiction. In Spain, tax loss carryforwards may be offset within a 30-year period. In all other countries, tax losses can be carried forward indefinitely.

The company is part of a group that is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the company is incorporated, which has come into effect for fiscal years starting on or after December 31, 2023.

Since the Pillar Two legislation was not effective at the closing date of the financial year, the entity has no related current tax exposure. The entity applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The company operates branch offices in Italy, Spain and Portugal. Unless each local jurisdiction has enacted its own Qualified Domestic Minimum Top-up Tax in line with the OECD Pillar Two model rules, the associated income will be subject to the Income Inclusion Rule in Luxembourg at the level of the company. At the time of filing, From the countries listed above only Spain has yet to enact Pillar Two legislation, therefore the branch in this jurisdiction will be included in the Luxembourg computation. Based on preliminary estimates there will be no material impact to the entity's current tax expense in the next financial year.

Note 14 Financial instruments

Recognition and initial measurement

The Group initially recognises loans and advances, deposits, debt securities issued on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL.

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be measured at fair value through profit or loss using the fair value option.
- Debts: these include the other non-derivative financial liabilities and are measured at amortised cost.

Business Model

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

Younited's operations in France and Italy are "held to collect and sell", while operations in the remaining countries follow the "held to collect" business model.

Assessment of whether contractual cashflows are solely payment of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;

Cashflow arising from loans and advances to customers, loans and advances to financial institutions, loans and deposits from financial institutions and deposits from deposits holders are SPPI.

Derecognition - Financial assets

See Note 19 below.

Derecognition - Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The following table provides a reconciliation between line items in the consolidated statement of financial position and categories of financial instruments.

	As at December 31, 2024			
(in € thousands)	**Mandatorily at FVTPL**	**FVOCI - debt instruments**	**Amortised cost**	**Total carrying amount**
Loans and advances to financial institutions	-	-	83,413	**83,413**
Loans and advances to customers	-	458,150	274,888	**733,038**
Financial assets at FVTPL	86,837	-	-	**86,837**
Other assets	-	-	81,870	**81,870**
Total financial assets	**86,837**	**458,150**	**440,171**	**985,158**
Financial liabilities at FVTPL	12,181	-	-	**12,181**
Loans and deposits from financial institutions	-	-	60,611	**60,611**
Deposits from deposit holders	-	-	832,722	**832,722**
Other liabilities	-	-	79,846	**79,846**
Incl. lease liabilities	-	-	*13,005*	***13,005***
Total financial liabilities	**12,181**	**-**	**973,179**	**985,360**

(in € thousands)	As at December 31, 2023			
	Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying amount
Loans and advances to financial institutions	-	-	73,525	**73,525**
Loans and advances to customers	-	477,287	339,347	**816,634**
Financial assets at FVTPL	135,403	-	-	**135,403**
Other assets	-	-	85,537	**85,537**
Total financial assets	**135,403**	**477,287**	**498,408**	**1,111,098**
Financial liabilities at FVTPL	-	-	-	-
Loans and deposits from financial institutions	-	-	60,033	**60,033**
Deposits from deposit holders	-	-	1,126,252	**1,126,252**
Other liabilities	-	-	68,840	**68,840**
Incl. lease liabilities	-	-	*16,133*	***16,133***
Total financial liabilities	**-**	**-**	**1,255,125**	**1,255,125**

14.1 Cash, due from central banks and loans and advances to financial institutions

(in € thousands)	As at December 31,	
	2024	2023
Cash, due from central banks	193,433	236,756
Loans and advances to financial institutions	83,413	73,525
Total cash, due from central banks and loans and advances to financial institutions	**276,846**	**310,281**

14.2 Loans and advances to customers

The “loans and advances to customers” line item in the consolidated statement of financial position includes:

- Loans and advances measured at amortised cost, including the effect on the income statement of the effective interest method and the ECL model; and
- Loans and advances measured at FVOCI.

(in € thousands)	As of December 31,	
	2024	2023
Loans and advances to customers at amortised cost	371,409	446,021
Impairment loss allowance	(96,522)	(106,674)
Net carrying loans and advances to customers at amortised cost	**274,888**	**339,347**
Loans and advances to customers at FVOCI	552,482	632,289
Impairment loss allowance	(103,794)	(156,192)
Fair value Adjustement	9,461	1,190
Net carrying loans and advances to customers at FVOCI	**458,150**	**477,287**

Total loans and advances to customers	**733,038**	**816,634**

14.3 Financial assets at FVTPL

Financial assets at FVTPL comprise shares in SPV shares and HQLA and are stated below:

	As at December 31,	
(in € thousands)	**2024**	**2023**
SPV shares	58,125	107,519
HQLA	28,712	27,728
Total	**86,837**	**135,247**

14.4 Other assets

	As at December 31,	
(in € thousands)	**2024**	**2023**
Trade receivable and prepayments	20,898	22,048
Contract assets	41,270	48,563
Restricted deposits with central banks	4,694	3,432
Tax receivables	13,957	10,759
Other	1,052	734
Total	**81,870**	**85,537**

Accounting principles related to accounts receivable, and prepayments and contract assets are described in Note 9.

14.5 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of public warrants and sponsor warrants.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Public warrants liabilities measured at FVTPL	5,883	-
Sponsor warrants liabilities measured at FVTPL	6,298	-
Total	**12,181**	**-**

Public and Sponsor Warrants do not meet the fixed-for-fixed criterion and as such are classified as financial liabilities at FVTPL following the business combination. Further description of the warrants terms and conditions is provided in Note 17.

14.6 Loans and deposits from financial institutions

Loans and deposits from financial institutions consist of a collateralised credit line with Natixis.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Loans and deposits from financial institutions	60,611	60,033
Total	**60,611**	**60,033**

14.7 Deposits from deposit holders

Deposits from customers only consist of fixed-maturity (from 1 up to 5 years) and fixed-rate term deposits raised from retail customers. They are recognized at amortised cost.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Deposits from deposit holders	832,722	1,126,252
Total	**832,722**	**1,126,252**

14.8 Other liabilities

	As at December 31,	
(in € thousands)	**2024**	**2023**
Lease liabilities	13,005	16,133
Short-term employee benefits	8,851	7,974
Trade payables and other creditors	36,486	14,814
Tax liabilities	1,163	1,774
Other	20,341	28,145
Total other liabilities	**79,846**	**68,840**

The “Other” line item mainly includes premiums collected on behalf of the insurance company and debts corresponding to cash received from securitised loans and to be paid to the securitisation funds.

14.8.1 *Lease liabilities*

The movements in lease liabilities as at December 31, 2024 were as follow:

(in € thousands)	**Total**
Balance at January 1, 2023	**17,943**
Additions	656
Rent indexation	1,040
Repayment of lease liabilities	(3,506)
Balance at December 31, 2023	**16,133**
Additions	-
Rent indexation	609
Repayment of lease liabilities	(3,737)
Balance at December 31, 2024	**13,005**

The breakdown of lease maturity as at December 31, 2024 is detailed in the table below:

	As at December 31,	
(in € thousands)	**2024**	**2023**
Less than one year	3,698	3,667
Between one and five years	9,307	12,455
More than five years	-	11
Total	**13,005**	**16,133**

For the year ended December 31, 2024 and December 31, 2023, interest expenses for lease amounted €222 thousand, and €264 thousand, respectively.

Note 15 Property and equipment

Property and equipment

Property and equipment consist of tangible assets used for administrative purposes (IT equipments, fixtures and fittings).

At their acquisition date, tangible assets are recognized at the transaction price plus costs directly attributable to the acquisition (transfer rights, fees) and any necessary costs to bring them into working condition for use.

After initial recognition, tangible assets are valued at cost less accumulated depreciation and any impairment. The amortisable value of a tangible asset corresponds to the cost less its residual value in the case where this is significant.

Assets are amortised on a straight-line basis over the asset's expected useful life to the Group.

Fixtures and fitting are amortised over 3 to 10 years, and IT equipment over 3 years.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time

in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group leases several office premises and mainly for its headquarters located in Paris for an initial term of 9 years. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group also leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

	Right of Use		IT equipment		Fixtures and fittings		
(in € thousands)	Gross Value	Accumulated depreciation	Gross Value	Accumulated depreciation	Gross Value	Accumulated depreciation	Gross Value
Balance at January 1, 2023	**24,714**	**(9,896)**	**805**	**(730)**	**2,533**	**(1,267)**	**16,159**
Additions	1,644		5		47		1,696
Disposals			-	-	-	-	-
Depreciation for the year		(3,060)	-	(38)	-	(189)	(3,287)
Impairment loss			-	-	-	-	-
Balance at December 31, 2023	**26,358**	**(12,956)**	**810**	**(768)**	**2,580**	**(1,456)**	**14,568**
Additions	570				83		653
Disposals			(17)				(17)
Depreciation for the year		(3,259)		(16)		(188)	(3,464)
Impairment loss							-
Balance at December 31, 2024	**26,928**	**(16,215)**	**793**	**(784)**	**2,663**	**(1,644)**	**11,740**

For the twelve-months period ended December 31, 2024 and December 31, 2023, the exempted lease liabilities amounted to €566 thousand and €903 thousand respectively, and are mainly low-value contracts.

Note 16 Intangible assets

Software acquired by the Group is measured at cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate:

- that the product is technically and commercially feasible,
- its intention and ability to complete the development and use the software in a manner that will generate future economic benefits,
- and that it can reliably measure the costs to complete the development.

The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as it is incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is three to five years.

	Purchased software		Developed software		
(in € thousands)	Gross Value	Accumulated depreciation	Gross Value	Accumulated depreciation	Total
Balance at January 1, 2023	**2,358**	**(720)**	**69,375**	**(41,206)**	**29,806**
Additions	537	-	24,575	-	25,112
Disposals	-	-	-	-	-
Amortization for the year	-	-	-	(18,367)	(18,367)
Impairment loss	-	-	-	-	-
Balance at December 31, 2023	**2,895**	**(720)**	**93,950**	**(59,572)**	**36,552**
Additions	115	-	21,181	-	21,296
Disposals	-	-	-	-	-
Amortization for the year	-	-	-	(23,731)	(23,731)
Impairment loss	-	-	-	-	-
Balance at December 31, 2024	**3,010**	**(720)**	**115,131**	**(83,304)**	**34,117**

Note 17 Equity

Share capital and share premium

Share capital corresponds to the nominal value of the shares issued by the Group. Share premium represents the excess of the proceeds received over the nominal value of the shares issued, net of directly attributable transaction costs.

Reserves and retained earnings

Reserves include statutory and regulatory reserves. They also include the capital reorganization reserve, which results from reverse acquisition accounting. This reserve reflects the adjustments made to restate the share capital and share premium of the legal acquiree to align with the capital structure of the legal acquirer and also absorbs the retained earnings and the result of the legal acquirer prior to the business combination. Furthermore, they include share-based payment reserves which reflect accumulated share-based compensations settled in equity in accordance with IFRS 2. Retained earnings correspond to the cumulative net results of the Group not distributed as dividends and include prior years' profits and losses of the accounting acquirer.

Other equity instruments

Other equity instruments include financial instruments issued by the Group that meet the definition of equity under IAS 32 Financial Instruments: Presentation and do not give rise to any contractual obligation to deliver cash or other financial assets. These instruments are recognized in equity at the proceeds received, net of directly attributable transaction costs, and are not subsequently remeasured.

Treasury shares

In the case of buybacks of equity instruments (e.g., treasury shares), the Group reduces equity by the amount paid for the shares, including any directly attributable costs. These repurchased shares are held in treasury and are not considered outstanding for earnings per share ('EPS') calculations.

17.1 Share capital and share premium

The transaction between the Company and Younited has been accounted for as a reverse acquisition, in accordance with IFRS 2 'Share-based payment' and IFRS 3 'Business combinations', given that the legal acquirer does not meet the definition of a business under IFRS 3 (cf. Note 3).

As a result (i) the equity presented in the consolidated financial statements before the Closing Date corresponds to the equity of the accounting acquirer (the legal acquiree), adjusted to reflect the share capital structure of the legal acquirer (the listed entity), (ii) the share capital and share premium are retrospectively restated as if the shares issued by the legal acquirer at the date of the transaction had always been in issue and (iii) the number of shares presented has been restated using the exchange ratio applied in the business combination, in order to reflect the capital structure of the legal acquirer.

The tables below give details of changes in the number of shares for year ended December 31, 2024 and 2023 respectively:

	2024			2023		
(in € thousands)	**Number of shares**	**Share capital**	**Share premium**	**Number of shares**	**Share capital**	**Share premium**
In issue at January 1	23,757,279	272.8	181,260	22,860,492	262.5	174,418
Issued for cash	21,370,385	414.6	156,797	666,615	7.7	5,086
Exercise of share options	303,960	3.5	2,319	230,172	2.6	1,756
In issue at December 31 - fully paid	**45,431,624**	**690.9**	**340,376**	**23,757,279**	**272.8**	**181,260**

Operations for the year ended December 31, 2024

December 20, 2024, pursuant to the Business Combination agreement the Company completed a share capital increase of €152.5 million issuing 20,756,593 Ordinary Shares resulting in an increase of share capital and share premium of €407 thousand and €152.1 million respectively.

The number of shares issued or cancelled, along with the related impacts on share capital and share premium from transactions completed prior to the closing of the Business Combination, have been retrospectively restated to reflect the Company's equity structure as described in Note 3.

April 24, 2024, the Group completed a share capital increase, generating net proceeds of €26.1 million. This resulted in the issuance of 613,792 Ordinary shares, leading to an increase of €7.1 thousand in share capital and €4.7 million in share premium. The remaining balance was allocated to Reserves and retained earnings, under the capital reorganization line item in the consolidated statement of changes in equity.

The vesting of free shares and the exercise of warrants during the period led to the issuance of 303,960 new Ordinary Shares, resulting in an increase of €3.5 thousand in share capital and €2.3 million in share premium. The difference between the net proceeds and the above restated share capital and share premium was allocated to Reserves and retained earnings, under the capital reorganization line item in the consolidated statement of changes in equity.

Operations for the year ended December 31, 2023

June 23, 2023, the Group completed a share capital increase, generating net proceeds of €28.3 million. This resulted in the issuance of 666,615 Ordinary shares, leading to an increase of €7.7 thousand in share capital and €5.1 million in share premium. The remaining balance was allocated to Reserves and retained earnings, under the capital reorganization line item in the consolidated statement of changes in equity.

The vesting of free shares and the exercise of warrants during the period led to the issuance of 230,172 new Ordinary Shares, resulting in an increase of €2.64 thousand in share capital and €1.8 million in share premium. The difference between the net proceeds and the above restated share capital and share premium was

allocated to Reserves and retained earnings, under the capital reorganization line item in the consolidated statement of changes in equity.

17.2 Capital instruments

The movements in issued capital instruments as at December 31, 2024 were as follow:

Description	Ordinary shares	Class B	Class C	Public warrants	Sponsor warrants	Other warrants
As of January 1, 2023	**22,860,492**	**-**	**-**	**7,666,667**	**7,000,000**	**134,469**
Issued instrument	896,787	-	-	-	-	-
Cancellation	-	-	-	-	-	(1,421)
As of January 1, 2024	**23,757,279**	**-**	**-**	**7,666,667**	**7,000,000**	**133,048**
Issued instrument	22,570,532	3,655,219	1,515,193	-	2,000,000	-
Cancellation	(896,187)	-	-	(7)	-	(133,048)
As at December 31, 2024	**45,431,624**	**3,655,219**	**1,515,193**	**7,666,660**	**9,000,000**	**-**

At December 31, 2024, a total of 20,000,000 Ordinary Shares were held in treasury.

17.2.1 *Preference Class B Shares*

Pursuant to the shareholders' earnout provisions included in the Business Combination Agreement, the sellers of Younited received 3,656,405 Class B Shares (including 1,186 Class B Shares to be issued upon completion of the drag-along provisions).

At the Closing Date, Sponsor delivered Ordinary Shares in escrow. On the date that is the third anniversary of the Closing Date, if, following the Closing Date and prior to the third anniversary of the Closing Date, (i) the Sellers have not transferred, sold or otherwise disposed of, in the aggregate, 30% or more of the aggregate Ordinary Shares as of the Closing Date and (ii) the 90-day volume-weighted average sale price of one Ordinary Share quoted on Euronext Amsterdam or Euronext Paris (or the exchange on which the Ordinary Shares are then listed) has not been greater than or equal to €16.00, as additional consideration for the Younited Shares acquired in connection with the Business Combination, then (x) all Company Class B Shares will be converted into Ordinary Shares and (y) if (and only if) (A) the Company Board in its sole discretion so determines and approves and (B) the Company has received all applicable regulatory approvals, the Company and Sponsor transfer the Sponsor Escrowed Shares to the Company for no consideration and subsequently at the discretion of the Company Board such shares may be canceled (unless the Sponsor consents otherwise) (provided that, with respect to any such approval of the Company Board, any Directors that are affiliates of the Sponsor, or that were elected by the shareholder meeting upon the proposal of Sponsor, will recuse themselves). If, prior to the third anniversary of the Closing Date, either of the events set forth in the immediately preceding clauses (i) or (ii) have occurred, the Company, upon the approval and direction of the Company Board, and Sponsor, will release the Sponsor Escrowed Shares to Sponsor and if, and only if (i) the Company Board in its sole discretion so determines and approves and (ii) the Company has received all applicable regulatory approvals, all Company Class B Shares will be acquired by the Company for no consideration and subsequently be canceled (provided that, with respect to the approval of the Company Board, any Directors that are affiliates of a holder of Company Class B Shares or that were elected at a shareholder meeting upon the proposal of a holder of Company Class B Shares at such shareholder meeting will recuse themselves).

In other words, on the third anniversary of the closing, if the Sellers (i) have not transferred, sold, or disposed of at least 30% of the Company's Ordinary Shares they hold as at closing date, and (ii) the 90-day volume-weighted average quoted price of one Company Ordinary Share has not reached or exceeded €16.00, all Company Class B Shares will convert into Ordinary Shares as additional consideration for the Younited Shares contributed to the Company whereas Company's Ordinary Shares held in escrow by the Sponsor would be transferred to the Company for no consideration. Alternatively, all Company Class B Shares will be transferred to the Company and canceled for no consideration, while the Company's Ordinary Shares held in escrow by the Sponsor will be released.

The economics of the 'shareholders earnout' consist of a share exchange for a fixed percentage of shares of the Company between two categories of shareholders of the Company. This occurs in one of two ways: (i) Class B shares are converted, and the ordinary shares held in escrow are transferred to the Company without consideration, or (ii) Class B shares are transferred to the Company without consideration, and the ordinary shares held in escrow are released. In both scenarios, a fixed portion of the Company's capital is exchanged in one way or another between the historical shareholders of the Company and the sellers.

17.2.2 Public and Sponsor Warrants

Each whole Warrant entitles the registered holder to purchase one Ordinary Share at an exercise price of €10.9451 per share in relation to the Public Warrants and an exercise price of €11.4210 per share in relation to the Sponsor Warrants, subject to the adjustments described in the warrants terms and conditions, at any time commencing thirty days after the Closing, except as discussed below.

The Sponsor Warrants may also be exercised on a cashless basis for a number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Sponsor Warrants, multiplied by the excess of the Fair Market Value (as defined below) over the Exercise Price of the Sponsor Warrants by (y) the average reported closing price of the Ordinary Shares for the ten-trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the Warrant Agent.

Once the Public Warrants become exercisable and depending on the fair market value of the underlying Ordinary shares the Company may redeem all outstanding Public Warrants upon a minimum of thirty calendar days' notice. Beginning on the date the notice of redemption is given and until the Public Warrants are redeemed or exercised, Public Warrant Holders may elect to exercise their Public Warrants on a cashless basis. The number of Ordinary Shares that Public Warrant Holders will receive upon such cashless exercise in connection with a redemption by the Company pursuant to this redemption feature is based on the Redemption Fair Market Value of the underlying Ordinary Shares on the corresponding redemption Date.

The Warrants expire five years after the Closing or earlier upon redemption of the Warrants or liquidation of the Company.

The Sponsor owns an aggregate of 7,000,000 Sponsor Warrants, each exercisable to purchase one Ordinary Share at €11.4210 per Public Share. At the Closing Date, $2 million of loans made available from the Sponsor or its affiliates pursuant to a promissory note with the Company converted into Sponsor Warrants at a price of $1.00 per warrant, which resulted in an additional 2,000,000 Sponsor Warrants.

Except as described in this paragraph, the Sponsor Warrants have terms and provisions that are identical to those of the Public Warrants. The Sponsor Warrants (including the Ordinary Shares issuable upon exercise of the Sponsor Warrants) are not transferable, assignable or salable until thirty days after the Closing Date (except pursuant to limited exceptions as described below to the Company's Board and other persons or entities affiliated with the Sponsor) and they are not redeemable by the Company so long as they are held by the Sponsor or its permitted transferees. If the Sponsor Warrants are held by holders other than the Sponsor or its permitted transferees, the Sponsor Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants.

17.3 Dividends

No dividend has been approved for the years ended December 31, 2024 and December 31, 2023 respectively.

Note 18 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The net profit attributable to ordinary shareholders is adjusted for the rights to remuneration of preferred shareholders such as holders of preference shares or subordinated or super subordinated securities classified as equity. Diluted earnings per share reflect the potential dilution that could arise in the event of the conversion of dilutive instruments into ordinary shares. This takes account of the dilutive effect of option plans and plans for the allocation of free shares.

	As at December 31,	
	2024	**2023**
Numerator (in € thousands)		
Profit (loss) for the year (a)	(83,439)	(49,679)
Denominator		
Weighted-average number of ordinary shares on the period (b)	24,948,047	23,249,939
Basic earnings per share (in €) (a/b)	**(3.34)**	**(2.14)**
Average number of ordinary shares used in the dilution calculation (c)	24,948,047	23,249,939
Diluted earnings per share (in €) (a/c)	**(3.34)**	**(2.14)**

The potentially dilutive instruments, which have not been included in the calculation of diluted shares because they would be anti-dilutive according to IAS 33.41, are presented in Note 17.

Note 19 Securitisation operations

Derecognition - Financial assets

In accordance with IFRS 9 'Financial instruments' par.3.2.1, the Group assesses the nature of the control it exercises over the securitisation vehicles to which it transfers financial instruments and consolidates them where appropriate in accordance with IFRS 10 'Consolidated financial statements'.

The Group derecognises all or part of a financial asset when the contractual rights to the asset's cash flows expire, or when it transfers the asset on the basis of a transfer of the contractual rights to its cash flows as well as substantially all the risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

The Group does not consolidate any of the securitisation vehicles in which it holds an interest, either because of their immaterial nature or duration, or because it has no power over the relevant activities. The Group perform various services on behalf of the securitisation vehicles solely as an agent as the Group is subject to a substantive right of revocation as defined by IFRS 10 'Consolidated financial statements'.

Securitisations of loans to customers by the Group are accompanied by the transfer of all the risks and rewards associated with these loans and as such result in their derecognition.

The securitisations provide the Group with financing leverage and also enable the Group to generate income from the sale of loans and from services provided on behalf of the securitisation vehicles. The securitisation

vehicles are financed by the issuance of single-tranche units to investors. When the Group subscribes to units, they are recognized as financial assets at FVTPL (see Note 14).

The table below shows the total amount outstanding in the securitisation funds and the interest retained in these funds by the Group at each balance sheet date.

(in € thousands)	**2024**	**2023**
Securitisation vehicles total asset	1,674,059	1,658,502
Carrying amount of SPV shares on the Group balance sheet	58,125	107,519
Servicing fees invoiced to SPVs	4,868	4,323

For year ended 31 December 2024 and 2023, the Group recognized a net gain of €2,898 thousands and a net loss of €5,318 thousand, respectively from loans to customers securitisation operations.

Note 20 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation, with the amount reliably estimable.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, provisions are discounted using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The unwinding of the discount is recognized in profit or loss as a financial expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

	As at December 31,	
(in € thousands)	**2024**	**2023**
Balance at January 1	**466**	**214**
Provisions made during the year	149	258
Provisions reversed during the year	-	(6)
Balance at December 31	**615**	**466**

Contingencies mainly refer to customer-related disputes in Spain and Italy or employee-related ones.

As at December 31, 2024, and 2023, the Group was not aware of any significant contingent liabilities. To the best of the group's knowledge, the Group is not engaged in any legal proceedings that could have a material adverse effect on its financial position other than those for which a provision has been made.

Note 21 Related parties

A related party is a person or entity that is related to the Group as defined by IAS 24 Related Party Disclosures.

The Group recognises related party transactions in accordance with IAS 24, which defines related parties as follows: (i) a person or close family member of a person is considered a related party when that person has

control, joint control, or significant influence over the Group, or is a member of the key management personnel of the Group, (ii) an entity is considered a related party if the Group and the entity are members of the same group (i.e., parent, subsidiaries, and fellow subsidiaries), or if one of the parties has control, joint control, or significant influence over the other.

Transactions with related parties include, but are not limited to, sales, purchases, loans, and other transactions that involve the transfer of resources, services, or obligations between the Group and the related party.

The Group discloses the nature of related party relationships, as well as any material transactions and outstanding balances with related parties, in the financial statements. Transactions are disclosed in the financial statements where they are considered to be material, and the terms and conditions of these transactions are disclosed if they are not conducted at arm's length.

According to IAS 24, related parties include Key Management Personnel and members of the Board of Directors.

21.1 Transactions with members of the Board of Directors

All transactions with related parties were conducted on an arm's length basis, in accordance with prevailing market terms and conditions at the time of execution.

21.1.1 *Backstop Agreement*

On October 7, 2024, the Company entered into a Backstop Agreement with the Sponsor and SRP Management, under which they committed to subscribe for and purchase Public Shares in connection with the Business Combination at a per-share price equivalent to $10.00 in euros. This resulted in a capital increase of €82,2 million of the overall €152.5 million increase in capital.

21.1.2 *Master Services Agreement between Younited SA and Bpifrance*

To support its ongoing collaboration with Bpifrance on various online loan projects for SMEs, Younited entered into a Master Services Agreement in May 2021, which was amended in January 2024. This agreement, retroactively effective from April 1, 2020, has an initial five-year term, with automatic annual renewal unless terminated. It governs the services provided by Younited, with fees determined based on loan size, unless otherwise specified in supplementary application agreements.

In June 2023, an Application Agreement was added, covering loan management services for several French administrative regions aimed at supporting companies facing temporary difficulties.

Since Bpifrance is a member of Younited's Board of Directors, the Master Services Agreement, the Application Agreement and the Amendment were approved by Younited's Supervisory Board on 29 April 2021, 20 April 2023 and 21 December 2023, respectively.

For the years ended December 31, 2024 and December 31, 2023 revenue from this Service Agreement amounted to €5,543 thousand and €3,569 thousand, respectively.

21.1.3 *Transfer of Shares to non-executive directors and advisers.*

In line with governance and incentive mechanisms, the Sponsor agreed to transfer 20,000 Public Shares to each of the non-executive members of the Company's Board of Directors, all of whom qualify as independent under the Dutch Corporate Governance Code, as well as to each of the Advisers. In total, 120,000 Public Shares were transferred upon the completion of the Business Combination.

21.2 Transactions with Key Management Personnel

21.2.1 *Compensation to Key Management Personnel*

Compensation of the Key Management Personnel is provided in the table below:

	As at December 31,	
(in € thousands)	**2024**	**2023**
Short-term employee benefits	454	798
Share-based payments	280	749
Total	**734**	**1,547**

In 2023, the Key Management Personnel were the CEO, Deputy CEO, and CFO of Younited SA, whereas in 2024, the Key Management Personnel include the CEO and the Deputy CEO of Younited Group.

21.2.2 *Put option on a management earnout*

Pursuant to the Business Combination agreement, the Company entered a put/call arrangement with managers of Younited upon completion of which their remaining Younited shares will be contributed to the Company in exchange for Ordinary shares and Class C shares of the Company. The put option is to be exercised by the beneficiaries within 15 days following the first anniversary of the Closing Date, provided they have remained continuously employed by the Company or its subsidiaries. If exercised, all Younited shares held by the managers, will be exchanged for Ordinary Shares and Class C Shares of the Company, for an equal fair value as determined at closing by an independent valuation specialist. Alternatively, the call option gives the Company the right to acquire the remaining Younited shares only if the put option has expired unexercised. This resulted in an increase in Retained Earnings and other reserves of which €3,684 thousand relate to Key Management Personnel of the Group.

Note 22 Auditor's fees

(in € thousands)	**2024**	**2023**
Statutory audit of the financial statement	(318)	(222)
Other assurance services	(433)	-
Non Audit Services	(132)	(5)
Total	**(882)**	**(227)**

Note 23 Off balance sheet

Off-balance sheet items are not recognized in the consolidated balance sheet, but are disclosed in the notes to the financial statements. These include obligations, commitments, and contingencies that, under IFRS Accounting standards, do not meet the criteria for recognition as assets or liabilities.

The Group discloses off-balance sheet arrangements, including guarantees, leases, joint ventures, and other commitments, where the Group has either a potential or future obligation that is not yet recognized on the balance sheet. These items are disclosed to provide users with a clear understanding of the Group's potential financial risks and obligations.

	As at December 31,

(in € thousands)	2024	2023
Financing commitments	14,669	9,491
Given commitments	**14,669**	**9,491**
Financing commitments	74,480	55,010
Received commitments	**74,480**	**55,010**

The financing commitments given corresponds to loans granted during the last week before the closing, for which the withdrawal period is maximum 7 days. Given the short duration of these commitments ECL are not significant.

Financing commitments received consist of financing commitments from financial institutions

Note 24 Financial risk management

The Group has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risks; and
- Operational risk.

The Board of Directors is assisted by four committees:

- The Remuneration Committee
- The Risk Management Committee
- The Audit Committee
- The Disclosure Committee

This note presents information about the Group's objectives, policies, and processes for measuring and managing risk.

24.1 Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Risk Committee, which is responsible for approving and monitoring Group risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company's Audit Committee is assisted in its oversight role by Internal Audit, which provides independent assurance on the effectiveness of the risk management framework. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company's Audit Committee.

24.2 Credit risk

'Credit risk' refers to the risk of financial loss for the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This primarily arises from the Group's loans and advances to customers and investment debt securities. For risk management purposes, the Group consolidates all elements of credit risk exposure, including individual obligor default risk, country risk, and sector risk.

The probability of default of financial institutions counterparties is deemed negligible as at December 31, 2024, as indicated by the credit ratings presented in the table below:

	S&P	Moody's	Fitch
European Central Bank	AAA	-	AAA
ABN	A	Aa3	A+
Crédit Mutuel Arkea	-	A1	AA-
Intesa	BBB	Baa1	BBB
BNP	A+	A1	AA-
Société Générale	A	A1	A
Natixis (BPCE Group)	A+	A1	A+
La Banque Postale	A	A2	A
BBVA	A	A3	A-
Banque Populaire	A+	-	A
Banco Posta	BBB	Baa3	-

Management of credit risk

The Company's Risk Committee is responsible for overseeing and managing the Group's credit risk, ensuring that it aligns with the Group's risk appetite and overall risk management framework. Key responsibilities of the Risk Committee in relation to credit risk include:

- *Formulating credit policies* in consultation with business units, covering credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- *Limiting concentrations of exposure* to counterparties, geographies, and credit rating bands to ensure diversification and mitigate systemic risks.
- *Developing and maintaining the Group's risk grading framework*, which categorises exposures according to the degree of risk of default. The current risk grading framework consists of 7 grades, reflecting varying degrees of default risk. These grades are subject to regular reviews by Group Risk to ensure their effectiveness.
- *Developing and maintaining the Group's processes* for measuring Expected Credit Loss (ECL), including:
    - Initial approval, regular validation, and back-testing of the models used for measuring credit risk.
    - Determining and monitoring significant increases in credit risk.
    - Incorporation of forward-looking information in the credit risk models.
- *Reviewing quarterly reports* on credit quality, ECL allowances, and potential breaches of material risk limits that may impact the Group's financial health.
- *Providing advice and specialist guidance* to business units to ensure adherence to best practices in credit risk management and maintain a disciplined approach across the Group.

Each business unit is required to implement the Group's credit policies and procedures, with credit approval authorities delegated from the Risk Committee. Each business unit appoints a Chief Credit Risk Officer, who is responsible for reporting on all credit-related matters to both local management and the Risk Committee. Business units are accountable for the quality and performance of their credit portfolios, as well as for monitoring and controlling all credit risks within those portfolios, including those subject to central approval. The Risk Committee provides oversight to ensure that credit risk management aligns with the Group's overall risk appetite and governance framework.

24.3 Liquidity risk

'Liquidity risk' is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Group's operations and investments.

Management of liquidity risk

The Group's Management Team, in coordination with the Company's Risk Committee, is responsible for managing liquidity risk and ensuring the implementation of the Group's liquidity management framework. The Risk Committee approves the liquidity policies and procedures developed by the Central Treasury department to guide the Group's liquidity risk management strategy.

Central Treasury manages the Group's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of both the Group and operating foreign branches. A summary report, including any exceptions and remedial action taken, is submitted to the Company's Risk Committee or ad hoc when predefined thresholds are breached.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy are as follows:

- Maintaining a diversified funding base consisting of deposits and maintaining contingency facilities.
- Carrying a portfolio of highly liquid assets, diversified by counterparty risk and maturity.
- Monitoring maturity mismatches, behavioural characteristics of the Group's financial assets and financial liabilities, and the extent to which the Group's assets are encumbered and so not available as potential collateral for obtaining funding.
- Conducting regular liquidity stress testing under various scenarios covering both normal and adverse market conditions.

Central Treasury receives information from other business units regarding the liquidity profile of their financial assets and financial liabilities and details of other projected cash flows arising from projected future business. Central Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The scenarios are developed considering both Group specific events (e.g. a rating downgrade) and market-related events (e.g. prolonged market illiquidity, reduced fungibility of currencies, natural disasters, or other catastrophes).

24.4 Market risk

'Market risk' is the risk that changes in market prices – e.g. interest rates, equity prices, and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Group's solvency while optimising the return on risk.

Management of market risks

Interest rate risk

The principal risk for non-trading portfolios is the potential loss from fluctuations in future cash flows or the fair value of financial instruments due to changes in market interest rates. This risk is primarily managed through portfolio sales. The Risk Committee oversees interest rate risk management and the Group's collect-and-sell strategy, ensuring alignment with the Group's risk appetite and governance framework. Central Treasury supports daily monitoring of interest rate exposures, including outstanding and forecast debt obligations, and executes portfolio sale transactions in line with approved policies and market conditions.

Currency risk

The Group does not have operation in foreign currency and thus is not affected by currency risk as it operates solely in euro.

Equity price risk

Equity price risk is subject to regular monitoring by Group Market Risk but is not currently significant in relation to the Group's overall results and financial position.

24.5 Operational risk

'Operational risk' is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology, and infrastructure, and from external factors other than credit, market and liquidity risks – e.g. those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and innovation. In all cases, Group policy requires compliance with all applicable legal and regulatory requirements.

A separate Enterprise Risk Management (ERM) department, reporting to the Company's Risk Committee or the Cyber Risk Committee when relevant, is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Group standards by ERM, Compliance and Internal Control departments for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified (Risk and Cartography Self-Assessment – RCSA);
- requirements for the reporting of operational losses and proposed remedial action;
- development of Business Continuity and Business Recovery plans;
- training and professional development;
- ethical and business standards;
- information technology and cyber risks; and
- risk mitigation, including insurance where this is cost-effective.

Compliance with Group standards is supported by:

- A permanent control programme undertaken by Internal Control and Compliance departments. The results of permanent controls reviews are discussed in monthly Internal Control and Compliance committees then submitted to the BRC and senior management of the Group, and Cyber risk committee when relevant.

Periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are submitted to the BRC and senior management of the Group.