NOTES TO THE FINANCIAL STATEMENTS 2023

1. Description of the Company and nature of its activity

a) Name and address

The company was incorporated under the name "DINEO CRÉDITO, S.L." on March 19, 2014. The social address was established in Madrid, at Calle Padilla 19, 1° izquierda. On June 20, 2019, moved to Sor Ángela de la Cruz Street, 33. On March 24, 2017, the company's unipersonality was declared, changing its name to DINEO CRÉDITO, S.L.U.

b) Activity

The activity of the company, coinciding with the corporate purpose established in its statutes, is the granting of loans or non-mortgage loans and other related financing services to any natural or legal person. Those activities reserved to credit institutions in accordance with the applicable regulations will be excluded from the corporate purpose. If the law requires for the start of any operations of the corporate purpose special qualification, obtaining an administrative license, registration in a Public Registry or any other requirement, the company may not start the aforementioned specific activity until the requirement in question is fulfilled.

c) Group of companies

The company is part of the group of companies whose parent company is CASH CONVERTERS ESPAÑA, S.L., with registered office in Madrid, Calle Sor Ángela de la Cruz, 33, this being the ultimate parent company of the group. This company issues its consolidated annual accounts for the year 2023, which will be deposited in the Mercantile Registry of Madrid.

2. Presentation bases

a) True and fair view

The annual accounts have been formulated from the accounting records of DINEO CRÉDITO, S.L. Unipersonal and have been formulated in accordance with current commercial legislation and with the rules established in the General Accounting Plan, in order to show the true and fair view of the assets and financial position as of December 31, 2023, and the results of its operations, changes in equity and cash flows for the year ended on that date.

b) The annual accounts are pending of approval by the sole shareholder, although the sole director, as responsible for their preparation, considers that they will be approved with no modification.

c) Functional and presentation currency

The annual accounts are presented in euros, rounded to the nearest unit, as it is the functional and presentation currency of the Company.

d) Bug fixes

As a result of the inspection reports opened and conclusive in 2023 by the tax authorities in relation to Corporate Income Tax for the years 2018 and 2019 and Value Added Tax for the years from August 2018 to December 2019, balances from previous years have been corrected in the accompanying balance sheet

As a result of customer complaints, the company has ongoing judicial and out-of-court proceedings for which a liability of €1,465,083 has been recognised in 2023 and 2022, including the amounts claimed and possible legal costs in the accompanying balance sheet.

Due to these circumstances and in order to facilitate the comparison of the information, the comparative figures of these annual accounts have been restated as follows:

1. The heading "Deferred tax assets" of non-current assets on the balance sheet increased by 433,578 euros.

2. The heading "Customers, group companies and associates" of non-current assets on the balance sheet increased by 202.603 euros.

3. The heading "Long-term debts to group companies and associates" of non-current liabilities on the balance sheet increased by 1.374.137 euros.

4. The heading "Long-term provisions" of non-current liabilities on the balance sheet increased by 1.392.546 euros.

5. The heading "Current tax liabilities" in the current liabilities section of the balance sheet increased by 18.287 euros.

6. To compensate for these adjustments, reserves for the previous year decreased by 3.015.944 euros and the total effect on equity was a decrease of 3.015.944 euros.

e) Critical aspects of the valuation and estimation of relevant uncertainties and judgments in the application of accounting principles

The preparation of annual accounts requires the application of relevant accounting estimates and the making of judgments, estimates and assumptions in the process of applying accounting principles. In this sense, the aspects that have involved a greater degree of judgment, complexity or in which the assumptions and estimates are significant for the preparation of the annual accounts correspond to:

i) Credit losses on loans and receivables

The total allocations for impairment of credits and advances are evaluated collectively, which implies a high judgment by the management. Collectively assessed impairment endowments cover credit losses inherent in loan and advance portfolios with similar credit risk characteristics when there is objective evidence to suggest that it contains impaired financial assets, but individual impaired items cannot yet be identified. Collectively assessed impairment provisions also cover credit losses for claims in default that are defined as past due for 30 days or more. In assessing the need to deteriorate collective losses, management considers factors such as the likelihood of default, loss in the event of default, portfolio size, concentration of delays and other economic factors. To estimate impairment, models are used to define how inherent losses are estimated and to determine the required parameters, based on historical experience and current economic conditions. To assess collective impairment endowments, the credit portfolio is grouped according to maturity. Significant assumptions used in the determination of impairmentor collective losses of the loan portfolio include:

a. Management assumes that the company collects unpaid credits up to 12 months after maturity.
b. Management calculates maturity probability indices using historical transition matrices that analyze loan portfolio movements between delinquency segments over one-month periods. This analysis is carried out based on tranches inwhich the probability ratios of non-compliance of the last six months are recalculated. The management cancels commercial receivables and overdue credits of customers, when they are more than 1 year late, or earlier if they are considered to be uncollectible.

f) Strat working

The company has obtained profits of 2,970,033 euros in the current financial year, despite the positive results, financial tensions remain due to the situation of the sole shareholder that have been covered by obtaining loans from group companies and associates.

The sole shareholder's administrators have carried out actions to address the situation, including the entry of new long-term external financial resources to stabilise the financial situation, a capital reduction to compensate for losses and a capital increase that have been carried out in the first quarter of 2023. In May 2024, a capital increase was carried out by the sole shareholder.

The director considers that with the above measures, the company's activity will obtain profits in the future and consequently, they have prepared these annual accounts for the financial year 2023 applying the going concern principle

g) Comparison of information

Except as discussed in points d) and e) above, the annual accounts present for comparative purposes, with each of the items of the balance sheet, the income, the statement of changes in equity, the statement of cash flows and the notes, in addition to the figures for the year 2023, those corresponding to the previous year that were included in of the annual accounts for the year 2022 approved by the Sole Shareholders' on May 18, 2023.

h) Aggregation of ítems

Certain items in the balance sheet, the profit and loss account and the report are presented aggregated to facilitate their understanding, although, to the extent significant, the disaggregated significant information has been included in the relevant notes.

3. Application income

a) The Sole director will propose the following application of income:

Basis of distribution	
Income for the year	2.970.033
	2.970.033
Distribution	
Dividends	1.375.000
Voluntary reserve	1.595.033
	2.970.033

b) On October 16 2023, the sole director approved the distribution of an interim dividend for the year 2023 that has been settled to the sole shareholder during the year 2023.

In accordance with the requirements of article 277 of the Capital Companies Law, the provisional accounting statement formulated by the Company is transcribed below, which shows the existence of a sufficient profit in the period that allowed the distribution of the interim dividend charged to the income of the year, and justification of sufficient liquidity to be able to make the payment:

Cash balance	598.820
Crédits with the group company	64.594
Estimated charges from 01/10/2023 al 16/10/2024	11.452.195
Estimated payments from 01/10/2023 al 16/10/2024	(8.513.460)
Estimated liquidity as of 31/08/2023	**3.602.149**

4. Valuation standards

a) Intangible fixed assets

- Patents, licenses, trademarks and the like

  The rights on software are capitalized when obtained the patent or similar license, including the cost of register related to the industrial property, notwithstanding the amounts paid to third parties and are amortized on a straight-line basis in ten years. They must be impaired according to the intangible assets standard.

b) Leases

- Operating leases

  As a lessee, the Company has used certain assets under leases contracts during the year. Since such contracts do not transfer to the Company substantially all the risks and benefits inherent in the ownership of the assets, they are classified as operating leases. Fees derived from operating leases are recognized as expenses on a straight-line basis during the lease term.

c) Financial instruments

- Classification and separation of financial instruments

  Financial instruments are classified at the time of their initial recognition as a financial asset or a financial liability, in accordance with the economic background of the contractual agreement and the definitions of financial asset or financial liability.

  For the purposes of their valuation, financial assets are classified into the categories of financial assets at fair value with changes in the profit and loss account, financial assets at amortized cost, financial assets at fair value with changes in equity and financial assets at cost. The classification in the above categories is made according to the characteristics of the instrument and the intentions of the Management at the time of its initial recognition.

  Financial liabilities, for the purposes of their valuation, are classified into the categories of financial liabilities at amortised cost and financial liabilities at fair value with changes in the profit and loss account.

  Financial instruments are recognized when the Company becomes an obligated party to the contract or legal business in accordance with the provisions thereof.

  The operations of purchase or sale of financial assets instrumented by means of conventional contracts, understood by such, those in which the reciprocal obligations of the parties must be consummated within a time frame established by the regulation or by the market conventions and that cannot be settled by differences, are recognized on the date of contracting or settlement.

- Non-compensation provision

  A financial asset and a financial liability are subject to clearing only when the Company has the enforceable right to set off the recognised amounts and intends to liquidate the net amount or to realise the asset and cancel the liability simultaneously.

- Financial assets at amortized cost

  They are non-derivative financial assets with fixed or determinable payments that are not listed on an active market, other than those that the company:

  - Intends to sell immediately or in the short term;
  - at the time of initial recognition it is designated at fair value with changes in the profit and loss account;
  - at the time of initial recognition, it is designated as financial assets at fair value with changes in equity or may not substantially recover all of its initial investment, except for credit impairment.

  Management determines the appropriate classification of financial instruments at the time of initial recognition.

- Recognition

Financial assets and liabilities are recognised on the balance sheet when the company becomes part of the contractual provisions of the instrument.

- Assessment

A financial asset or liability is initially valued at its fair value plus, in the case of a financial asset or liability that is not at fair value through gains or losses, the transaction coststhat are directly attributable to the acquisition or issuance of the financial asset or liability.

After initial recognition, financial assets at amortized cost and other financial liabilities are measured at costa nd amortized using the effective interest method.

- Amortized Cost

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at the time of initial recognition, less repayments of principal, plus or minus the cumulative effect using the effective interest method of any difference between the initial amount recognised and the amount of maturity, minus any impairment reduction. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the relevant Instrument and are amortized based on the effective interest rate of the instrument.

- Fair value

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants on the valuation date on the main market, which is the most advantageous market to which the company has access on that date. The fair value of a liability reflects its risk of default.

When available, the company estimates the fair value of an instrument using prices quoted on an active market for that instrument. A market is considered an asset if transactions in the asset or liability take place with sufficient frequency and volume to provide price information on an ongoing basis.

The company's key financial instruments are cash, commercial receivables, credits owed by customers, claims to related parties, commercial accounts payable, loans payable and other creditors arising from business activities.

The best proof of the fair value of a financial instrument at the time of initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. If the company determines that the fair value at the initial recognition differs from the transaction price and the fair value is evidenced neither by an active market quoted price for an identical asset or liability nor by a valuation technique that uses only observable market data, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value in the initial recognition and the transaction price. Subsequently, this difference is recognized in the result on an appropriate basis throughout the life of the instrument, but at the latest when the valuation is fully supported by observable market data or the transaction is closed.

In addition, for financial reporting purposes, the company measures the fair values of the following fair value hierarchy, which reflects the importance of the costs used to perform the measurements:

- Level 1: Data are quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access on the measurement date;

- Level 2: Data other than the quotation prices included in Tier 1 that are observable directly (i.e. as prices) or indirectly (i.e. price derivatives). This category includes instruments valued using: market prices quoted on active markets for similar instruments; quoted prices for similar instruments on markets that are considered less than assets; or other valuation techniques in which all significant input data is directly or indirectly observable from market data; and

- Level 3: Data that is not observable. This category includes all instruments where the titration technique includes information not based on observable data and non-observable information has a significant effect on the valuation of the instrument. This category includes instruments that are valued based on quoted prices for similar instruments where adjustments or significant unobservable assumptions are required to reflect differences between instruments.

• Gains and losses on subsequent valuation

For financial assets and liabilities recorded at costand amortized, the gain or loss is recognized in results when the financial asset or liability is written off or impaired, or through the amortization process.

• Derecognition of Financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows of the financial asset expire, or when it transfers substantially all the risks and advantages inherent in the ownership of the financial asset. Any rights created or retained by the company are recognized as a separate asset or liability in the statement of financial position. The company cancels a financial liability when its contractual obligations are fulfilled or cancelled or expire.

The company also cancels certain assets when it cancels balances corresponding to the assets considered uncollectible.

Financial assets and liabilities are cleared, and the net amount is presented on the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to net liquidate them or realise the asset and settle the liability simultaneously.

- Impairment of financial assets

The company assesses at the end of the financial year whether there is any objective evidence that a financial asset or group of financial assets is impaired. When objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the asset's future cash flows that can be reliably estimated.

In assessing collective impairment, the company uses statistical models of historical trends on the probability of default, the timing of recoveries, and the impact of loss incurred, adjusted by management's judgment on whether current economic and credit conditions are such that actual losses are likely to be greater or less than those suggested by historical models. Default rates, loss rates, and the expected timing of future recoveries are regularly compared to actual results to ensure they remain appropriate. No specific impairment tests are performed as the loan portfolio consists of a large number of small exposure loans which makes individual impairment tests impractical.

The Company has applied these accounting policies since December 2021.

- Financial assets valued at amortized cost

The financial assets recorded at amortized cost consist mainly of credits loans and other accounts receivable. The company periodically reviews its loans portfolio and other receivables to assess impairment.

The company first assesses whether there is objective evidence of impairment individually for loans and receivables that are individually significant, and individually or collectively for credits and receivables that are not individually significant. If the company determines that there is no objective evidence of impairment for an individually assessed credit or receivable, whether significant or not, it includes the credit or receivable in a group of loans and receivables with similar credit risk characteristics and evaluates them collectively for impairment. Receivables and receivables that are assessed individually for impairment and for which an impairment loss is recognized or continues to be recognized are not included in a collective impairment assessment.

If there is objective evidence that an impairment loss has been incurred on a credit or receivable, the amount of the loss is valued as the difference between the carrying value of the credit or receivable and the present value of estimated future cash flows, including recoverable amounts of collateral, and security rights discounted at the original effective interest rate of the loan or receivable. Contractual cash flows and historical experience of adjusted losses based on relevant observable data reflecting current economic conditions provide the basis for estimating expected cash flows.

In some cases, the observable data required to estimate the amount of an impairment loss on a credit or receivable may be limited or no longer fully relevant to the current circumstances. This may be the case when a debtor is in financial difficulty and there is little historical data available relating to similar debtors. In such cases, the company uses its experience and judgment to estimate the amount of any impairment loss.

All credit impairment losses are recognized in income and are only reversed if a subsequent increase in the recoverable amount can objectively be related to an event occurring after the impairment loss was recognized.

When a credit is uncollectible, it is cancelled against the related impairment allowance. The Company cancels a credit balance (and any related impairments or losses of credits) when management determines that the credits are bad and when all steps necessary to collect the credit are completed.

- Bails

The bonds delivered are initially valued, following the criteria set out for financial assets. Subsequently, since the effect of their updating is not significant, they are valued at their nominal value.

- Financial liabilities at amortized cost

They include financial liabilities arising from the purchase of goods and services from the Company's trade operations and those liabilities that, without having a commercial origin, are not derivative instruments.

In their initial recognition on the balance sheet, they are recorded at their fair value which, unless there is evidence to the contrary, in the transaction price or fair value of the consideration received adjusted for the transaction costs that are directly attributable to them.

Upon initial recognition, these financial liabilities are valued at their amortized cost. Accrued interest is accounted for in the profit and loss account, applying the effective interest rate method.

However, debits for commercial transactions with a maturity not exceeding one year and which do not have a contractual interest rate are valued at face value when the effect of not updating cash flows is not significant.

- Derecognition of financial liabilities

  The company derecognizes a financial liability when the obligation has been extinguished.

  The difference between the carrying value of the financial liability or the portion thereof that has been written off, and the consideration paid, including attributable transaction costs which also includes any assigned assets other than the cash or liabilities assumed. Are recognized in the profit and loss account for the period in which it takes place.

d) Cash and other equivalent assets

Cash and other equivalent assets include cash on hand and bank deposits in credit institutions.

e) Provisions

Provisions are recognized when the Company has a present obligation, whether legal, contractual, implicit or implied, as a result of a past event and it is likely that there is an outflow of resources to cancel such obligation; and a reliable estimate of the amount of the obligation can be made.

On the other hand, contingent liabilities are considered those possible obligations, arising as a result of past events, whose materialization is conditioned to the occurrence of future events that are not entirely under the control of the Company and those present obligations, arising as a result of past events, for which it is not likely that there will be an outflow of resources for liquidation or cannot be valued with sufficient reliability. These liabilities are not objects of accounting record, detailing them in the notes, except when the output of resources is remote.

f) Revenue and expenses

The income and expenses are recorded according to the accrual criterion regardless of the moment in which the monetary or financial flow derived from them occurs, Nevertheless, the Company only recognizes for the profits obtained at the end of the year, while the foreseeable risks and losses, even if they are possible, are counted as soon as they are known.

g) Revenue from services

Ordinary income is recognized by the ordinary development of the activity as the company fulfills the obligations committed in the contract.

Revenues are recognized when the Company is likely to receive the profits or economic returns derived from the transaction and the amount of revenue and costs incurred or to be incurred can be reliably valued. The income is valued at the fair value of the counterpart received or to be received, deducting discounts, price reductions and other similar items that the company may grant, as well as, where appropriate, the interest incorporated into the nominal of the credits.

Indirect taxes levied on transactions that are passed on to third parties are not part of the income.

The Company recognizes interest income in accordance with the effective interest rate.

h) Personal expenses

The Company recognizes the expected cost of employee incentive schemes where there is a present obligation, legal or implied, as a result of past events and a reliable estimate of the value of the obligation can be made.

Severance payments recognize at the time when there is a formal plan and a valid expectation has been generated among the affected personnel that the termination of the employment relationship will occur, either because they have begun to execute the plan or because they have announced its main characteristics.

i) Income tax

The company is taxed under a consolidated tax regime for Corporation Tax within the tax group whose parent company is CASH CONVERTERS ESPAÑA, S.L.

The expense or income from the income tax comprises both the current tax and the deferred tax.

Current tax is the amount to be paid or recovered for the income tax relative to the taxable base for the year. Current tax assets or liabilities are valued at the amounts expected to be paid or recovered from the tax authorities, using the regulations and tax rates in force or approved and pending publication on the year-end date.

Deferred tax liabilities are the amounts payable in the future for corporation tax related to taxable temporary differences while deferred tax assets are the amounts to be recovered for corporation tax due to the existence of deductible temporary differences or deductions pending of application. For these purposes, temporary difference is understood as the difference between the book value of assets or liabilities and their tax base.

Current or deferred income tax is recognized in income, unless it arises from a transaction or economic event that has been recognized in the same or a different year, against net worth or a business combination.

Deferred tax assets and liabilities are valued at the tax rates that will be applicable in the years in which it is expected to make the assets or pay the liabilities, based on the regulations and rates that are in force or approved and pending publication and once the tax consequences that will arise from the way in which the Company expects to recover the assets or settle the liabilities have been considered.

The Company reviews the book value of the deferred tax assets at the end of the year, with the aim of reducing this value to the extent that it is not likely that there will be sufficient future positive tax bases to recover them. Deferred tax assets that do not meet the above conditions are not recognized in the balance sheet. The Company reconsiders at the end of the year, if the conditions for recognizing deferred tax assets that had not previously been recognized are met.

The company only offsets assets and liabilities for current income tax if there is a legal right vis-à-vis the tax authorities and intends to settle the resulting debts in their net amount or to realize the assets and settle the debts simultaneously.

The company only offsets deferred tax assets and liabilities if there is a legal right of set-off vis-à-vis the tax authorities and such assets and liabilities correspond to the same tax authority, and to the same taxable person.

Deferred tax assets and liabilities are recognized on the balance sheet as non-current assets or liabilities, regardless of the expected date of completion or settlement.

To determine the corporate tax expense, in addition to the regulations to be considered in the case of individual taxation, the following corresponding to the consolidated tax regime are taken into account:

i. Temporary and permanent differences produced as a result of the elimination of results from operations between companies of the tax group, derived from the process of calculating the consolidated tax base.

ii. The deductions and bonuses that correspond to each company of the tax group in the consolidated declaration regime, being imputed to the company that carried out the activity or obtained the necessary income to obtain the right to the deduction or tax credit.

iii. On the part of the negative tax results from some of the companies of the group that have been compensated by the rest of the companies of the consolidated tax group, reciprocal credits and debits arise between the companies that originate them and those that compensate them.

The current tax balance is presented in the corresponding current tax asset or liability account and is offset in the following year with a charge or credit to the credit or debt account with the parent company.

Credits for offsetting negative tax bases, for deductions and bonuses, and advance taxes, are only accounted for to the extent that they have a certain interest with respect to the future tax burden.

Credits derived from deductions and bonuses pending tax application in the Corporate Tax return due to insufficient quota are subject to accounting registration, when a reasonable estimate of the evolution of the company indicates that they may be subject to future application. Deductions that cause in future years a lower tax on the profit obtained in a transaction carried out in the year are also subject to registration, provided that compliance with the conditions established by the tax standard for its perfection is foreseeable.

j) Classification of assets and liabilities as current and non-current

Assets are classified on the balance sheet as current when they are expected to be realized or intended to be sold or consumed in the course of the normal operating cycle, held primarily for trading purposes, expected to be realized within twelve months of the closing date or are cash or other equivalent liquid assets, except in those cases where they cannot be exchanged or used to cancel a liability, at least within twelve months of the closing date, in which case they are classified as non-current assets.

Liabilities are classified in the balance sheet as current when they are expected to be settled in the normal operating cycle, are held primarily for trading, have to be settled within twelve months from the date of closure or the Company does not have the unconditional right to postpone the cancellation of liabilities for twelve months following the closing date, appearing as non-current in any other case.

Financial liabilities are classified in the balance sheet as current when they are to be settled within twelve months of the closing date, even if the original term is for a period exceeding twelve months and there is an agreement to refinance or restructure long-term payments that has been concluded after the closing date and before the annual accounts are drawn up. In other circumstances, they are listed as non-current liabilities.

k) Transactions with related parties

Transactions between related parties are recognized by the fair value of the consideration delivered or received. The difference between that value and the agreed amount is recorded according to the underlying economic substance.

5. Intangible fixed assets.

a) The composition and movement in the accounts of intangible fixed assets during the year were as follows:

	2022	Asquisitions (Expense)	Retirements	2023
Cost				
Patents, licenses, trademarks and other	12.766	36.347	---	49.113
	12.766	**36.347**	**---**	**49.113**
Accumulated depreciation				
Patents, licenses, trademarks and other	(10.212)	(2.034)	---	(12.246)
	(10.212)	**(2.034)**	**---**	**(12.246)**
Acounting net value				
Patents, licenses, trademarks and other	2.554			36.867
	2.554			**36.867**

b) The composition and movement in the accounts of intangible fixed assets during the previous year were as follows:

	2021	Asquisitions (Expense)	Retirements	2022
Cost				
Patents, licenses, trademarks and other	12.766	---	---	12.766
	12.766	**---**	**---**	**12.766**
Accumulated depreciation				
Patents, licenses, trademarks and other	(8.936)	(1.276)	---	(10.212)
	(8.936)	**(1.276)**	**---**	**(10.212)**
Acounting net value				
Patents, licenses, trademarks and other	3.830			2.554
	3.830			**2.554**

c) The amount of 36.347 euros in 2023 corresponds to improvements in management applications made by the company's staff, being zero in the previous year

6. Operative leases

a) The company has leased to third parties' commercial office properties where it carries out its activity. It also pays to the sole shareholder for the use of the information system with which the company works. The amount of the lease fees accrued during the year has been

	2023	2022
Class of elements		
Commercial real estate	3.630	21.780
Licences	709.762	536.034
	713.392	**557.814**

b) Future minimum payments for non-cancellable operating leases, excluding updates for inflation or common expenses are as follows:

	2022
Term	
Up to one year	21.780
Between one and five	36.300
More than five years	---
	58.080

7. Financial instruments.

a) The classification of financial assets by categories and classes, without considering cash and other equivalent liquid assets, or equity holdings of group companies is as follows:

	Credits and others	
	2023	**2022**
Long-term financial assets		
At amortized cost		
Deposits deposited	21.692	---
	21.692	**---**
Short-term financial assets		
At amortized cost		
Commercial and other debtors	6.943.170	5.814.579
Loans to group companies	---	---
Other financial assets	47.843	114.246
	6.991.013	**5.928.825**
TOTAL	**7.012.705**	**5.928.825**

b) Impairment of credits for commercial operations

The analysis of the movement of the corrective accounts representative of the impairment losses caused by the credit risk of financial assets to, is as follows for the year 2023:

2023	Gross Amount	%	Impairment	Net worth
0. Current	4.821.483	9,49%	457.578	4.363.905
1. 1-30	1.260.299	50,33%	634.271	626.028
2. 31-60	1.045.693	73,44%	767.972	277.721
3. 61-90	881.199	81,76%	720.451	160.747
4. >91	2.400.386	87,05%	2.089.642	310.744
5. >361	14.588.225	95,84%	13.981.238	606.987
Total Port folio	**24.997.285**	**74,61%**	**18.651.153**	**6.346.133**

The corresponding impairments are provided according to the risk presented by possible insolvencies with respect to the collection of credits, the 2023 endowment is in the amount of 8.620.959 euros.

The detail of impairment of credits for commercial operations for the previous year is as follows:

2022	Gross Amount	%	Impairment	Net worth
0. Current	4.532.695	9,88%	447.933	4.084.762
1. 1-30	1.236.385	55,08%	680.956	555.429
2. 31-60	984.154	78,09%	768.514	215.640
3. 61-90	1.008.033	83,92%	845.923	162.110
4. >91	5.739.378	87,37%	5.014.421	724.957
5. >361	2.779.731	100,00%	2.779.731	---
Total Port folio	**16.280.376**	**64,73%**	**10.537.478**	**5.742.898**

The corresponding impairments are provided according to the risk presented by possible insolvencies with respect to the collection of credits, the 2022 endowment is in the amount of 8.408.073 euros.

c) The classification of financial liabilities by categories and classes is:

	Cedit entities		Derivatives and others		Total	
	2023	2022	2023	2022	2023	2022
Long-term financial liabilities						
At amoritised cost						
We lend with group companies and associates	---	---	6.013.684	4.485.027	6.013.684	4.485.027
	---	**---**	**6.013.684**	**4.485.027**	**6.013.684**	**4.485.027**
Pasivos financieros a corto plazo						
At amoritised cost						
We lend with group companies and associates	---	---	---	107.421	---	107.421
Loans	16.667	---	442.532	1.037.768	459.199	1.037.768
Commercial and other creditors	---	---	410.437	636.455	410.437	636.455
	16.667	**---**	**852.969**	**1.781.644**	**869.636**	**1.781.644**
TOTAL	**16.667**	**---**	**6.866.653**	**6.266.671**	**6.883.320**	**6.266.671**

d) The classification of financial liabilities by maturity is as follows:

Year	
2024	869.636
2025	2.444.393
2026	3.569.290
	6.883.320

e) The amount of financial expenditure by category of financial liabilities is as follows:

	Debits and Payables	
Net losses on profit and loss	**2023**	**2022**
Financial expenses applying the effective interest rate	442.883	423.317
	442.883	**423.317**

f) Nature and level of risk from financial instruments

The Company's activities in relation to financial instruments are exposed to various risks: credit risk, liquidity risk and interest rate risk on cash flows. The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial profitability

- Credit risk

  Credit risk is the risk of financial loss to the company if a client or counterparty of a financial instrument fails to meet its contractual obligations. This risk is noticeable mainly in loans to customers. Credit risk is mitigated as follows:

  Credit issuance procedures are established to ensure the quality of the client portfolio. These procedures are constantly improved and include judicial and behavioral indicators, through analysis of statistical data and rating models.

  Penalties and extensions of the credit repayment term are used to mitigate the risks associated with unpaid debts. These options apply to borrowers in cases where there is a difficulty or unwillingness to pay debts. Penalties and extensions generate additional cash flows in the portfolio.

- Market risk

  The company's exposure to exchange risk in market interest rates is primarily related to long-term debt obligations at variable interest rates.

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

  The Company's main receivables are mainly with its customers. However, the Company carries out a collective analysis of its balances and evaluates the risk of non-payment, providing, where appropriate, the corresponding impairment losses due to credit risk.

The credit scoring models used by the Company take into account multiple factors, not only limited to the client's credit history and income level. The analysis derived from such models is based on statistical evidence and never on value judgments. These models are periodically reviewed to adjust to market requirements and the behavior of the client portfolio. The risk profile of each client is analyzed prior to the granting of the loan. The company's debt recovery policy establishes a series of procedures that maximize the collection of claims. These recovery policies are regularly analyzed by the Company. The company manages interest rate risk by holding a balanced portfolio of fixed and variable rate loans.

The Company considers that the procedures currently in place are sufficient to effectively control the credit risk arising from the client portfolio. Likewise, the structure of the credit portfolio is based on a multitude of loans of reduced nominal value, so that the exposure to risk of the Company for each client does not imply significant losses.

The amounts for impairment of the credits are endowed generically and cover the inherent losses of the loan portfolio with similar credit risk.

Quantitative information on the Company's credit risk is detailed in note 7.a)

- Liquidity risk

It refers to the availability of sufficient funds to cover the funds received, as well as other financial commitments when they reach maturity.

The Company carries out prudent liquidity risk management, based on the maintenance of sufficient cash and flexibility in financing through the availability of contracted credit lines and the financial support of group companies and associates.

The managers are carrying out the actions described in note 2 g).

The classification by maturity is as follows:

Year	
2024	869.636
2025	2.444.393
2026	3.569.290
	6.883.319

- Interest rate risk

Since the company's financial debts are contracted primarily at a fixed rate, the company's financial expenses are not significantly subject to interest rate risk.

8. Long-and short-term financial investments

a) The detail of the balance by concepts is as follows:

	Long-therm		Short-Term		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Financial investments in instruments of. Equ	21.692	---	---	---	21.692	---
Deposit	---	---	41.528	48.697	41.528	48.697
Current account with related parties	---	---	6.315	65.547	6.315	65.547
	21.692	**---**	**47.843**	**114.244**	**69.535**	**114.244**

9. Customers for sales and rendered of services

a) The balance of customers for rendered of services, amounting to 6.943.170 euros in the year and 5.814.578 euros in the previous year, is presented net of for impairment, which amounts to 18.651.153 euros in 2023 and was 10.537.505 euros in 2022.

b) The income for the year includes a net expense of 8.620.959 euros due to impairment of credits and was 9.115.636 euros in the previous year.

c) Fully impaired loan portfolio has been sold giving a result as reversal of the impairment by the portfolio according to the following detail for both years:

	2022
Face Value	10.478.831
Result	707.563

10. Cash and equivalent liquid assets

The entire balance in 2023 and 2022 is cash in hand and banks without remuneration.

11. Shareholder's equity

a) Share Capital

At the end of 2023 and 2022, the share capital amounted to 3.100 euros and is represented by 3.100 shares of 1 euro of nominal value each, fully paid up by the partners.

The parent company CASH CONVERTERS ESPAÑA, S.L. owns 100% of the share capital of the company, being the sole partner and having been declared the sole proprietorship of the company.

b) Reserves

The composition and movement in the accounts included under the heading of reserves during the financial year 2023 are shown below:

	2022	Distribution of income	2023
Reserves			
Legal	620	---	620
Others Reserves	(1.851.657)	259.525	(1.592.132)
	(1.851.037)	**259.525**	**(1.591.512)**

	2021	Distribution of income	2022
Reserves			
Legal	620	---	620
Others Reserves	(1.928.647)	76.990	(1.851.657)
	(1.928.027)	**76.990**	**#######**

The Legal Reserve must be endowed in accordance with article 214 of the Capital Companies Law, which establishes that, in any case, a figure equal to 10 per 100 of the profit of the year will be allocated to it until it reaches, at least, 20 per 100 of the share capital. It cannot be distributed and if it is used to compensate for losses, in the event that there are no other reserves available sufficient for that purpose, it must be replenished with future profits. As of December 31, 23, the company has endowed this reserve by the minimum limit established by the Capital Companies Law, which amounts to 620 euros.

c) Interim dividend

Dated October 16, 2023, the sole administrator agreed to a distribution of dividends in the amount of 1.375.000 euros from reserves, which have been paid within the year 2023.

Dated September 22, 2022, the sole administrator agreed to a distribution of dividends in the amount of 600.000 euros from reserves, which have been paid within the year 2022.

12. Provisions and contingencies.

a) Long-term provisions

As a result of customer complaints, the company has ongoing judicial and out-of-court proceedings for which a liability of €1,465,083 has been recognised in 2023 and €1,392,546 in 2022, including the amounts claimed and y other court costs.

In addition, in previous years administrative sanctions for data protection were imposed on the company for 80.000 euros that are related to a crime of fraud in which the company is present as an injured party

b) Short-term provisions

At the end of the year, there are provisions accounted for in the amount of 188.663 euros corresponding to provisions for taxes, with 120.167 euros being the amount of the previous year.

c) Contingencies

The company has an open legal claim by a service provider, which is under negotiation.

As a result of the foregoing, it is not possible to objectively determine the final outcome of the aforementioned legal proceedings, and therefore it is not possible to determine an amount for which the open claims will finally be settled.

13. Balances and transactions with group companies and associates

a) The balance of debts with group companies and associates intended for the financing of the business activity

	Not current			
	2023	**2022**	**Interests**	**Expiration**
Parent Company				
Cash Converters España, S.L.	1.888.729	1.526.664		2025
	1.888.729	**1.526.664**		
Debts with associated companies				
Alamos Consulting, S.L.	3.569.290	3.391.250	237.386	2025/2026
	3.569.290	**3.391.250**	**237.386**	
Debts with associated companies				
Inversiones Rolimar, S.L.	99.665	941.250	65.888	2025
	99.665	**941.250**	**65.888**	

The debt with Alamos Consulting, S.L, consists of two loans amounting to 2.578.625 euros maturing 2026 and 990.665 euros maturing 2025.

	Current		
	2023	**2022**	**Expiration**
Debts whit associated companies			
Alamos Consulting, S.L.	---	58.967	2023
Inversiones Rolimar, S.L.	---	48.454	2023
	---	**107.421**	

b) The interest expense accrued in 2023 was 303.275 euros (258.317 euros in 2022).

c) The detail of the balance of suppliers for services provided by the company of the Cash Converters España, S.L. group. and current accounts with group companies and associates is as follows:

	Trade Balance		Current accounts		Sales revenue		External services	
	2023	2022	2023	2022	2023	2022	2023	2022
Parent Company	---	---	---	---	---	---	2.887.803	2.978.819
Associated companie	142.796	144.586	3.630	1.040	---	---	180.199	156.471
	142.796	**144.586**	**3.630**	**1.040**	**---**	**---**	**3.068.002**	**3.135.290**

d) The Company guarantees banking loan operations to the parent company for loans amounting 2.151.571 euros and has guarantees provided to the parent company for a total of 1.925.000 euros.

14. Short-term debts

The detail of the balance of debts with credit institutions and others is as follows:

	2023	2022	Limit	Maturity
Debts owed to credit	1.667	---	1.667	2024
Other funding	442.532	1.037.768	442.532	2024
	444.199	**1.037.768**	**442.532**	

Debts owed to credit institutions bear interest under market conditions.

15. Public entities and tax position

a) The detail of the balances with the public entities, by concepts. is:

	Not Current		Current	
	2022	2022	2022	2022
Assets				
Deferred tax	1.208.484	1.167.958	---	---
VAT	---	---	---	---
	1.208.484	**1.167.958**	**---**	**---**
Liabilities				
Accounting, Inspection Minutes, Tax Agen	---	---	18.287	18.287
Current tax	---	---	370.105	---
Withholdings Personal Income Tax	---	---	40.129	35.725
VAT	---	---	32.915	35.617
Social Security	---	---	26.530	16.584
Other	---	---	361	14.667
	---	**---**	**488.327**	**120.880**

b) Income tax

The balance of current tax is the estimate of corporate tax for the year, which is carried out under a consolidated tax regime with other companies of the group. The reconciliation of the income of the year with the taxable base of the tax is as follows:

	2023			2022		
Reconciliation of tax base	**Income statement**			**Income statement**		
Income balance for the year			2.612.660			859.525
Permanent differences	**Increase**	**Decrease**	**Net**	**Increase**	**Decrease**	**Net**
Corporate income tax	686.955	---	686.955	---	---	---
Non-deductible expenses	182.676	---	(1.817.272)	64.377	---	64.377
Error Correction Adjustmen	---	(1.999.948)		---	---	
Temporary differences			(1.919)			(1.734.311)
Impairment due to credit ri:	4.669.915	(4.671.834)		4.671.834	(6.406.145)	
Previous tax base			**1.480.424**			**(810.409)**
Tax base			**1.480.424**			**(1.410.409)**

	2023	2022
Tax amount	370.105	---
Net to be paid	**370.105**	**(332.268)**

c) The reconciliation between the income and the taxes tax expense is as follows:

	2023	2022
Income before tax	**3.299.614**	**859.525**
Expense at the general rate	824.903	(214.881)
Non-deductible expenses	4.665	(16.094)
Unrecognized tax	---	230.976
Error Correction Adjustments	(499.987)	
	329.581	**---**

d) The movement in deferred tax assets for 2023 year and the prior one is as follows:

	2021	Additions	Applied	2022	Additions	Applied	2023
Deferred tax assets							
For impairment of credits	1.167.958	---	---	1.167.958	1.208.485	(1.167.958)	1.208.485
	######	**---**	**---**	**######**	**1.208.485**	**#######**	**1.208.485**

e) Value added tax

According to Article 20 of the VAT Law, transactions for granting of credits and loans in cash, whatever the form in which it is implemented, including through financial effects or securities of another nature, are exempt from tax value added.

f) Tax position

As a result of the inspection reports opened in the previous year and closed in 2023 by the tax authorities in relation to Corporate Income Tax for the years 2018 and 2019 and Value Added Tax for the years from August 2018 to December 2019, these reports have been regularised for an amount of 18.287 euros, 18.287 euros remained outstanding at the end of the financial year (see note 15 a).

According to the legal provisions in force, tax assessments cannot be considered final until they have been inspected by the tax authorities or the four-year limitation period has elapsed. The company has open to inspection the declarations presented of the following tax concepts and exercises:

	Years
Taxes	
Corporate income tax	2019 a 2022
Personal Income Tax	2020 a 2023
Withholdings on capital and personal tax	2020 a 2023
Value added tax	2020 a 2023

The Management, on the basis of the adequacy of its tax forms, does not consider that there may be different interpretations of the tax regulations that result in tax liabilities of a contingent nature whose result could significantly affect the annual accounts.

16. Revenue: Sales and services rendered

a) The distribution revenue sales and services rendered by activities is:

	2023	**2022**
Commissions accrued	19.772.574	19.224.370
Accrual of income collected in advance	(16.335)	12.946
Accrual of commissions pending collection	(44.643)	42.632
	19.711.596	**19.279.948**

b) The amount of the accrued income endowed in 2023 is 183.552euros, and in the previous year amounts 167.197 euros.

c) The entire Revenue: Sales and services rendered has been obtained in territory They are mainly composed of the commissions charged to customers for the micro-credits granted.

17. External services

The breakdown of the balance of external services during the year is:

	2023	2022
Leases and royalties	713.392	557.814
Repairs and maintenance	192	36
Professional Services	2.714.619	3.030.222
Insurance	8.912	110
Banking and similar services	503.381	496.772
Advertising and propaganda	61.234	865.242
Other services	2.042.856	2.693.589
	6.044.586	**7.643.785**

18. Personnel

a) The balance of social charges by concepts and in euros is:

	2023	2022
Social security	213.199	204.083
Other social charges	4.319	4.268
	217.518	**208.351**

b) The average staff by categories is:

	Men		Women		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Category						
Managers and bosses	3	3	3	4	6	7
Commercial technicians (shop/offic	7	7	15	19	22	26
	10	**10**	**18**	**23**	**28**	**33**

c) The workforce at the end of the year does not differ significantly from the average.

19. Information about the sole director and other related parties.

a) In accordance with article 229 of the Capital Companies Law, the sole director states that he does not maintain situations of conflict of interest with the activities carried out by the company.

b) The current sole administrator has not received any remuneration during 2023. The former sole director received 105.897 euros as remuneration during the 2023 financial year, for his executive functions in the Company, and it was 93.594 euros in the previous year.

c) The sole director does not maintain, at the end of the year, balances with the company. There are no obligations relating to pensions, life insurance premiums, or any other outstanding amount.

d) The remuneration of the company's senior management staff during the year is non-existent, as there are no staff hired as senior management.

20. Environmental information

There are no significant assets dedicated to the protection and improvement of the environment, nor have any relevant expenses of this nature been incurred during the current year or during the previous year. Likewise, the Board of Directors considers that there are no significant contingencies related to the protection and improvement of the environment, not considering it necessary to register any endowment to the provision of risks and expenses of an environmental nature.

21. Information on payment deferrals made to suppliers. Third additional provision. "Duty of information" of Law 15/2011, of July 5, repealed by the second final provision of Law 31/2014, of December 3

Information on the average period of payment to suppliers, the monetary volume and number of invoices paid in a period below the maximum established in the delinquency regulations and the percentage they represent on the total number of invoices and on the monetary total of payments to their suppliers:

	2023	**2022**
	Days	**Days**
Average period of payment to suppliers	8	25
Ratio of paid trades	7	22
Ratio of outstanding transactions	27	41
	Importe	**Importe**
Total payments made	5.068.195	2.785.331
Total payments within the legal maximu	4.749.136	2.762.854
Total outstanding payments	394.752	634.039
Total number of invoices	851	864
Paid within the legal maximum	749	858
Percentage over the number of invoices	88%	99%
Percentage of monetary total	94%	99%

22. Significant subsequent events

After the end of the year there have been no events or circumstances that could significantly affect the annual accounts.

23. Remuneration to auditors

The fees accrued by the auditor for the audit of the annual accounts for the current year amounted to 9.975 euros, being 9.500 euros in the previous year.

The present financial statements of DINEO CRÉDITO, S.L. Unipersonal for the year 2023, which are included in pages 1 to 31 above, have been formulated by the Sole Administrator in Madrid, 20 of May of 2024.

Inversiones Rolimar, S.L.,
Single Administrator
RPF Jesús Fuster Pliego