LIBF

LIBF LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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DIRECTOR'S REPORT

The Directors of LIBF Limited have the pleasure in presenting their report along with the audited financial statement for the year ended 31 December 2023.

LIBF Limited, which has its head office at 7th & 8th Floor, Peninsular House, Monument Street, London, England EC3R 8LJ and with company number 13621269 (hereinafter also referred to as: "the Company") operates as a private university for banking and finance. It provides education and training to ~50,000[1] students and issues degrees to students and professionals. In 2022, LIBF Limited was a dormant company.

In 2023, LIBF Limited, a subsidiary of IU Group, acquired the assets of the London Institute of Banking and Finance. IU Group, the largest private university in Germany, made the strategic decision to combine its existing online expertise with London Institute of Banking and Finance's reputation as a high-quality education provider to bring affordable online offerings to the UK market.

LIBF Limited's principal activity is providing private education. It offers training programmes and awards degrees to students and professionals. These programmes encompass undergraduate and postgraduate qualifications, as well as apprenticeships. Additionally, LIBF Limited provides professional certifications for professionals in mortgage, finance, commercial banking, trade, and retail banking. LIBF Limited has two subsidiaries – The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd – but this report provides financial information solely relating to LIBF Limited as a single entity. Additional commentary for the subsidiaries can be found in the strategic report section.

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and UK Adopted International Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

[1] Includes Schools and Professional Education programmes

The Directors who held office up to the date of signature of the financial statements were as follows:

Gerard A. Lemos	Carolin L. Kreuder
Julian A. Fraser	Sangwon Oh
Regina V. Cordes Nee Frey	Hanif Barma
Florian M. Hummel	Damian R. Ward

Changes in Directors during the financial year ended 31 December 2023 were as follows:

Appointments		**Resignations**	
Name	**Date**	**Name**	**Date**
Julian A. Fraser	03/23	Peter Thuy	07/23
Gerard A. Lemos	03/23	Marvin C. Lange	11/23
Damian R. Ward	03/23		
Carolin L. Kreuder	07/23		
Hanif Barma	11/23		
Sangwon Oh	11/23		

The total remuneration to Directors in 2023 amounted to £73k[2]. LIBF Limited had in place a qualifying third-party indemnity provision for the benefit of one or more Directors during the financial year.

Subsequent to the year-end Haysmacintyre LLP were appointed as auditor.

At the date of making this report, each of the Directors confirm the following:

- so far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the auditors are unaware; and
- each Director has taken all the steps that he or she ought to take as a Director in order to make him or herself aware of any relevant information needed by the auditors in connection with preparing their report to establish that the auditors are aware of that information.

On behalf of the Board

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

[2] This figure excludes the compensation of Julian A. Fraser whose remuneration is included under key personnel compensation – see Note 9.

The year 2023 was a period of significant change stemming from the acquisition by IU Group. During the period following the acquisition, we began aligning our operations with the IU Group while maintaining our unique identity and mission. This alignment led to some rationalisation of our existing businesses. We decided to withdraw our Financial Education qualifications and our two full-time undergraduate degrees. At the same time, we introduced a number of online undergraduate and postgraduate degrees in a broad range of disciplines. We have reaped significant benefits from being part of a larger group and are able to call on a wide range of resources to improve our speed to market and we can access technology which will enable LIBF to take a leading position in the provision of online degrees. As we look forward, our core objective remains to grow and strengthen the business, with scalability a driving force.

Although some of our activities performed disappointingly in 2023, the long-term fundamentals of the business remain solid across both Higher Education and Professional Education. Despite recording a loss, cash flow remained positive during the year due to continued support from IU Group and we remain confident for continued financial sustainability into the future.

Higher Education

Enrolment for our existing full-time undergraduate programme fell short of expectations, with the pool of applicants dropping significantly below 2023 levels. In its current format, the full-time programme lacks scalability and carries an unsustainable level of cost. Consequently, the decision was made to phase out this part our provision while ensuring that current students are not in any way disadvantaged by this decision. In contrast, the collaboration with IU Group has accelerated growth in online degrees at undergraduate and postgraduate levels. New degrees across a range of disciplines were launched in Q4 and were well received in the market. We continue to offer a number of banking-related Degree Apprenticeships, both bespoke and open.

Professional Education

2023 was a challenging year for the Professional Education division. Sharp increases in interest rates resulted in very low levels of mortgage lending which adversely impacted demand for our market leading CeMAP qualification. Our Trade Finance qualifications continue to be lower than pre-Covid, largely because of weaker demand from China, one of our key markets. Financial advice enjoyed another good year, and we expect this trend to continue thanks in part to our newly revamped Diploma in Financial Advice which has been well-received in the market. In the banking sector, demand for traditional qualifications continues to fall, and we have begun the process of phasing out some of our existing qualifications. We continue to be awarded mandates for bespoke training programmes from large financial institutions in areas such as Risk and Sustainability.

Financial Education

The Level 2 and Level 3 Financial Education qualifications have been operating against a backdrop of continued uncertainty in terms of policy and that, added to the lack of scale, led us to decide to withdraw these qualifications with the last students being assessed in 2025. We are in discussions with other awarding bodies who have expressed interest in continuing to offer our qualifications in the future.

MENA & APAC Subsidiaries

After 4 years of significant growth, our MENA operation had a disappointing year. This was mainly due to weakening demand for our core banking qualifications in Abu Dhabi and delays to several large government-sponsored projects. We expect the picture in 2024 to improve both in Abu Dhabi and also in Saudi Arabia and Qatar where we have strong local partners and where demand for banking qualifications is strong.

As far as APAC is concerned, we continue to run programmes in Operational Risk for one of the largest financial institutions in the region and are seeing increased demand in areas such as Fintech and Risk.

The Board recognises the importance of proactively managing risks to ensure the Company's continued success. As part of our risk management strategy, we are actively addressing key areas that present potential challenges while taking steps to mitigate them.

Maintaining a Competitive Edge

We are committed to delivering engaging, relevant and up-to-date qualifications and training and to improving our competitive edge. Being able to access a wide range of e-learning technology through IU Group will help strengthen our offerings in markets where such technology plays an important part in customer decisions.

Diversification

A major change since the acquisition has been the reduction of our dependence on Financial Services and particularly *Banking which has historically carried significant concentration risk. We are making major changes to our Higher Education* portfolio and have launched and will continue to launch online degrees with a much broader appeal.

Ensuring Financial Sustainability

Adverse impacts such as economic downturns, changes in regulatory framework, shifting student demands and other external factors may lead to reduced profitability. We aim to mitigate such risks by ensuring efficient cost management, enhanced financial planning and scenario analyses, and continued diversification of revenue streams.

Regulatory Compliance

We operate in a sector which is highly regulated, and we deploy significant resources to ensure compliance. Regulation is regularly monitored by the Board and its Committees.

Prioritising the Student Experience

A key institutional priority is maintaining an engaging learning environment which encourages students to progress. We collect student feedback on a regular basis and have a programme of continuous improvement.

Embracing Technological Advancements

Recognising the importance of staying at the forefront of technological advancements in learning, teaching, and assessment, we are actively investing in scalable, innovative technologies to enhance both remote and traditional learning experiences. Additionally, we are committed to understanding and adapting to changing student preferences, offering a diverse range of learning formats to meet student expectations in the post-pandemic landscape.

On behalf of the board

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

Opinion

We have audited the financial statements of LIBF Limited (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards (UK-IAS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK-IAS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating To Going Concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of management's forecasts of future performance and ability to meet its liabilities as they fall due.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on LIBF Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions On Other Matters Prescribed By The Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters On Which We Are Required To Report By Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities Of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation As To What Extent The Audit Was Considered Capable Of Detecting Irregularities, Including Fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the Company and trade regulators such as the Office for Students, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use Of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tom Brain (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

3 June 2024

10 Queen Street Place

London

EC4R 1AG

STATEMENT OF PROFIT OR LOSS

	Notes	31/12/2023 £000s	31/12/2022 £000s
Revenue	3	11,828	-
Own Work Capitalised		264	-
Cost of Material and Services	4	(2,405)	-
Personnel Costs	5	(7,058)	-
Amortisation and Depreciation	6	(835)	-
Other Operating Expenses	7	(6,604)	-
Financial Income	10	171	-
Financial Expense	10	(121)	-
Loss Before Income Tax		**(4,760)**	**-**
Income Tax		-	-
Income From Discontinued Operations		-	-
Loss For The Year		**(4,760)**	**-**

STATEMENT OF COMPREHENSIVE INCOME

	31/12/2023 £000s	31/12/2022 £000s
Loss for the Year	(4,760)	-
Other Comprehensive Income – Pension Scheme	(6,101)	-
Total Comprehensive Income for the Year	**(10,860)**	**-**

[illegible]

	Other Capital Reserves £000s	Retained Earnings £000s
Balance at 1 January 2022	-	-
Profit For the Year	-	-
Balance at 31 December 2022	**-**	**-**
Balance at 1 January 2023	-	-
Loss For the Year	(6,101)	(4,760)
Balance at 31 December 2023	**(6,101)**	**(4,760)**

	Notes	31/12/2023 £000s	31/12/2022 £000s
Non-Current Assets			
Goodwill	11	6,272	-
Intangible Assets	12	7,448	-
Property, Plant and Equipment	13	4,934	-
Other Assets – Non – Current	14	2,578	-
Non-Current Assets		**21,232**	-
Current Assets			
Inventory	15	25	-
Accounts Receivable	16	4,274	-
Other Receivables – Current	17	1,382	-
Cash and Cash Equivalents	18	4,847	-
Current Assets		**10,528**	-
Total Assets		**31,760**	-
Capital			
Share Capital	19	31,111	-
Other Capital Reserves	20	(6,101)	-
Retained Earnings		(4,760)	-
Total Capital		**20,250**	-
Current Liabilities			
Accounts Payable and Other Liabilities – Current	21	1,134	-
Current Leasing Liabilities	22	439	-
Other Short – Term Provisions	21	899	-
Deferred Revenues – Current	23	5,176	-
Total Short-Term Debts		**7,648**	-
Non-Current Liabilities			
Non – Current Leasing Liabilities	22	2,531	-
Deferred Revenues – Non – Current	23	1,330	-
Total Long-Term Debt		**3,862**	-
Total Liabilities and Capital		**31,760**	-

The financial statements were approved by the Board of Directors and authorised for issue and are signed on its behalf by:

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

Company registration number: 13621269 (England and Wales)

STATEMENT OF CASH FLOWS

	31/12/2023 £000s	31/12/2022 £000s
Cash Flow From Operating Activities		
(Deficit For Year)	(4,760)	-
Adjustment For Non-Cash Items		
Depreciation & Amortisation	835	-
(Increase) / Decrease In Stock	(7)	-
(Increase) / Decrease In Debtors	(1,406)	-
Increase / (Decrease) In Creditors	2,091	-
Increase / (Decrease) In Lease Liabilities	(766)	-
Other Non-Cash Items	(14)	
Net Cash Flow From Operating Activities	**(4,027)**	-
Cash Flows From Investing Activities		
Changes In Tangible Assets	510	
Changes In Intangible Assets	(419)	
Net Cash Flow From Investing Activities	**92**	-
Cash Flows From Financing Activities		
Issuance of Share Capital	4,949	-
Net Cash Flow	**1,014**	-
Cash and Cash Equivalents – Acquired	3,832	-
Cash and Cash Equivalents – End of the Year	4,847	-

NOTES TO THE FINANCIAL STATEMENTS

1 KEY ACCOUNTING POLICIES

The financial statements of LIBF Limited for the year ended 31 December 2023 were prepared in accordance with the UK adopted international accounting standards (UK-IAS) and the International Financial Reporting Standards (IFRS). LIBF Limited is a medium-sized private limited company limited by shares and is registered in England and Wales (registration number: 13621269). The financial statements represent LIBF Limited as a single entity (i.e., LIBF Limited subsidiaries are not included in the financial statements presented). LIBF has taken advantage of the exemption available under s.401 of the Companies Act 2006 from preparing consolidated financial statements because it is a wholly-owned subsidiary of a larger group. The parent undertaking which prepares and published consolidated financial statements that include LIBF Limited is IU Group N.V., whose registered office address is Square Ambiorix 10, 1000 Bruxelles.

The Company follows the acquisition accounting policy as per IFRS 3 Business Combinations. Under this policy, an acquisition is recognised as a business combination when LIBF Limited obtains control over one or more businesses. Control is defined as the ability to obtain the variable returns from the acquired business and the power to direct its activities.

LIBF Limited recognises revenue when the control of the promised goods or services is transferred to the customer and we have a probable right to payment for the performance obligation. In accordance with IFRS 15, we estimate the amount of returns, refunds, and other similar obligations associated with the sale of goods or services. This estimate is based on historical experience, industry trends, and other relevant factors. The estimated amount of these obligations is recorded as a liability and deducted from the recognised revenue. Income is predominantly related to tuition fees and education contracts and is recognised over the length of the course being offered. Any amounts received in advance are included within deferred income.

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at year-end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the statement of comprehensive income and expenditure as they arise.

Current taxes

The Company has not recognised a current tax expense for the year ended 31 December 2023. This is because the Company has incurred a taxable loss during the reporting period. Current taxes are determined based on the respective tax results and recognised to the extent that they will probably be recognised for tax purposes. If uncertainties regarding such recognition exist, tax liabilities are recognised in the amount of the best possible estimate of the anticipated tax payment. The inclusion of tax liabilities from uncertain tax items in accounting only takes place if their realisation is probable. The assumptions and decisions made are reviewed at each reporting date and, where necessary, adjusted based on any new knowledge gained.

Deferred taxes

Deferred taxes are recognised due to temporary differences between the amounts recognised in the respective tax accounts at national level. As of the reporting period, the Company has no recognised deferred tax assets or liabilities. Calculations are made according to the liability method of IAS 12. For the assessment of the recoverability of the deferred tax assets, an assessment is made regarding the extent to which realisation is sufficiently probable and whether sufficient convincing substantive indicators can be demonstrated. Whether the deferred tax assets can be realised depends on whether a sufficient level of tax income can be generated in future against which the temporary differences and tax loss carry forwards can be offset. In this context, existing taxable temporary differences or corporate planning are drawn upon. If utilisation cannot be expected, then corresponding loss allowances are recognised. The assumptions made here regarding the future taxable income available for the utilisation of deferred tax assets are nevertheless subject to uncertainties. Deferred tax liabilities and assets are netted if a legally enforceable right to offset current tax assets against current tax liabilities exists and if the deferred taxes relate to income taxes that are levied by the same tax authority.

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Useful life of 4 years
Computer hardware and software	Useful life of 3 years
Furniture and equipment	Useful life of 5 years
Right of use assets	Over the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

LIBF Limited accounts for leases in accordance with IFRS 16 Leases. IFRS 16 requires the recognition of right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets represent the Company's right to use underlying leased assets. They are initially recognised at cost, which includes the initial payment of the lease, any incremental costs directly attributable to the right-of-use asset, and the present value of non-cancellable lease payments. Subsequent to initial recognition, the assets are depreciated on a straight-line basis over the useful life of the underlying asset or the lease term, whichever is shorter. The depreciation method and useful lives are reviewed periodically.

Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset. Intangible assets are stated at cost or fair value on recognition less accumulated amortisation and any impairment in value. Amortisation is calculated so as to write off the cost or valuation of intangible asset over the useful economic life, on the following bases:

Trademark rights	Useful life of 16-18 years
Customer relationships (corporate)	Useful life of 10 years
Customer relationships (students)	Useful life of 3 years
Self-generated courses	Useful life of 2-5 years

The useful lives of our intangible assets vary. Trademark rights, for example, have a useful life of 18 years for LIBF and CeMAP, and 16 years for CDSC. Customer relationships are categorised by client type, with a 10-year useful life for corporate relationships and a 3-year useful life for student relationships. Similarly, the useful life of self-generated courses varies by programme type: 5 years for Professional Education, 4 years for Higher Education, and 2 years for Financial Education.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting data and any impairment losses or reversals of impairment losses are recognised immediately by in profit or loss. A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Inventories are valued at the lower of cost or net realisable value and mainly consist of course materials (e.g. books).

Unrestricted reserves represent the accumulated net income of LIBF Limited that are retained for future use. The use of reserves are at the discretion of the Directors and are not subject to any legal statutory restrictions on use.

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial assets and contains three basic categories for the classification of financial assets: those measured at amortised cost (AC), those measured at fair value with changes through other comprehensive income (FVOCI) and those measured at fair value with changes through profit or loss (FVTPL).

The classification of financial assets pursuant to IFRS 9 is carried out based on the business model of the Company for managing financial assets and the characteristics of the cash flows. Trade receivables are recognised from the date on which they arise onwards.

The financial assets of LIBF Limited are initially recognised on the trade date if the Company becomes a contractual party under the contractual terms of the financial instrument. The amount recognised here is the settlement amount.

The loans to related parties are initially measured at fair value. The trade receivables of LIBF Limited do not have any significant financing component and are therefore measured at transaction price upon initial recognition. Cash is measured at fair value.

Trade receivables are not sold and are usually recovered by the Company itself. In addition, the underlying contracts contain exclusively the claim for the payment of the receivable and fulfil the requirements for "standard cash flow conditions". For these reasons, the trade receivables undergo subsequent measurement within the "amortised cost" category. Both cash and other assets undergo subsequent measurement at "amortised cost".

The risk provisions and thus also the loss allowances for trade receivables are based on the model of expected credit losses pursuant to IFRS 9.

Regarding trade receivables, the amount recognised depends on the credit risk of the counterparty as at the measurement date. In this context, a simplified approach based on a default rate and individual loss allowances is applied ("lifetime expected credit loss"). Lifetime expected credit loss are the expected credit loss ("ECL") that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

The Company considers a financial asset to be individually impaired if it is improbable that the debtor will be able to pay their credit obligation in full without measures such as the utilisation of collateral (if available) being taken.

The Company derecognises financial assets if the contractual rights relating to the cash flows from the financial asset expire or it transfers the rights to receive the cash flows as part of a transaction in which all material risks and opportunities relating to ownership of the financial assets are transferred or collectability can no longer be anticipated.

The present value of lease liabilities has been determined based on the future leasing instalments to be paid over the remaining term of the lease. A term-based, risk-free interest rate plus a margin has been used as the incremental borrowing rate for discounting.

LIBF Limited leases buildings and IT equipment (printers, copy machines etc.). The real estate lease agreements primarily relate to the premises for university operations and administrative buildings.

The IFRS real estate lease agreements for 7th and 8th Floor Peninsula House have fixed contractual terms of 5 years which commenced in August 2023. The Company recognises a right-of-use asset and a lease liability in its accounts at the start of the use transfer. The right-of-use asset is written down on a scheduled basis using the straight-line method either over the term of the lease or the useful life of the assets depending on which term is shorter. Furthermore, if indications to do so exist, loss allowances are recognised for the right-of-use asset and the lease liability is adjusted for certain remeasurements of the lease liability.

The lease liability is recognised at the present value of future leasing payments. Discounting is carried out at the interest rate underlying the lease or, if this cannot be determined, at the incremental borrowing rate that is specific to the lessee.

The leasing payments that are incorporated into the calculation of the lease liability include:

- fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the start of the use transfer,
- the amount that is expected under a residual value guarantee, and
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised, lease payments of an extension option if it is reasonably certain that the option will be exercised and payments of penalties for the early termination of the lease if it is reasonably certain that this will be done.

Lease liabilities are measured at amortised cost using the effective interest method. They are remeasured if a change in the index or rate results in a change in the amount of leasing payments, if the estimation of the anticipated amount from the utilisation of a residual value guarantee changes or if the Company changes its assessment regarding the exercising of a purchase option, extension option or an early termination option.

Where a lease liability is remeasured in accordance with the above, the adjustment is taken to the right-of-use asset in the first instance. The Company does not recognise any right-of-use assets or lease liabilities for short-term leases (≤12 months) and leases for leased objects of low value. The Company recognises the expenses for these leases on a straight-line basis over the lease term. The Company makes use of the portfolio accounting option. Some leases have both lease components and non-lease components. The Company has exercised the option to treat these contracts as leases.

In 2023, IFRS 16 resulted in the following effects on the statement of comprehensive income.

	2023 £000s	2022 £000s
Amortisation - Right of Use Assets	486	-
Interest Expense - Leasing	115	-
Total	**602**	-

Cash and bank balances are measured at fair value. Cash flows comprise increases or decreases in cash. Cash includes cash in hand and deposits but excludes cash held as part of the investment portfolio.

The Company's defined benefit pension plan is for current and former employees in the United Kingdom and is established and operated under the regulatory framework outlined in the Finance Act 2004 and the Occupational Pension Schemes (Funding and Investment) Regulations 2004 (as amended). These regulations, among other things, set minimum funding requirements for the plan and may impose restrictions on the investment of plan assets (known as asset ceiling limitations).

The calculation of provisions for pensions is based on the project unit credit method in accordance with IAS 19. The net obligation of the Company regarding the existing defined benefit liability is calculated by discounting the estimated future benefits that the eligible past employee earned in earlier periods. The calculation of the defined benefit obligations is carried out annually by an accredited actuary using the internationally commonplace projected unit credit method. Conversely, the pension scheme assets are valued at market rate. Pension fund deficits are recognised in the balance sheet, but surpluses are not recognised as assets where they cannot be recovered either through a refund from the scheme or reductions in future benefits.

The plan exposes the Company to the risk of unexpected changes in employee demographics or investment performance, as well as potential limitations imposed by the UK regulatory framework on our ability to manage these risks.

Due to the size of the plan, there is concentration of demographic risk where three former senior managers of the Company account for approximately 10% of the plan's defined benefit liability.

As at 31 December 2023, the duration of the fund was 13 years. The contributions to the plan for the year to 31 December 2024 are expected to be nil. Approximately 40% of the Plan's members are currently in receipt of a pension and the remaining members are not yet retired. The liability weighted average age of current pensioners is approximately 72 years and the weighted average age of members not yet retired is approximately 55 years. The youngest member is expected to retire in 2047, at which point the benefits of all members will be in payment. Further details on the plan are outlined in Note 20.

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial liabilities and essentially contains the following categories for the classification of financial liabilities: those measured at amortised cost and those measured at fair value with changes through profit or loss.

A financial liability is measured at fair value with value changes through profit or loss if it is classified as held for trading, it is a derivative or is designated as such upon initial recognition. Other financial liabilities are measured at amortised cost using the effective interest method. The financial liabilities of LIBF Limited are initially recognised on the settlement date when the Company becomes a contractual party under the contractual terms of the financial instrument concerned.

Interest expenses of financial liabilities are recognised through profit or loss in net financial income/loss. Financial liabilities are derecognised if the contractual obligations have been settled, have been cancelled or expired. No offsetting of financial assets and financial liabilities is carried out because the required conditions have not been met. Financial assets and liabilities are only offset and disclosed as netted in the statement of financial position if the Company has a current enforceable right to offset the amounts recognised against each other and it is intended either to settle them on a net basis or to realise the asset and settle the liability simultaneously. These necessary conditions have not been met. Therefore, no offsetting of financial assets and financial liabilities has been carried out.

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Defined benefit scheme – management's estimate of the scheme is based on a number of critical underlying assumptions such as rates of inflation, mortality and the investment returns of the scheme. The assumptions are reviewed annually with a qualified actuary.

Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date. Uncertainties in these estimates relate to changes in the useful lives of certain software and IT hardware as well as the useful life and value of the building that LIBF Limited owns.

Acquisition accounting – we measure acquisition costs using fair value estimates. This requires significant judgement about the future economic benefits of the acquired assets and liabilities, relying on assumptions about market participant expectations.

Goodwill – we estimate the goodwill based on the future cash flows expected from the acquired entity. This process involves significant judgements in determining the discount rate and the assumptions used in the valuation model. Goodwill is subject to impairment testing at least annually, or more frequently if there are indications of potential impairment.

7 CAPITAL MANAGEMENT

The Company manages capital to maximise shareholder value through sustainable growth and profitability. We aim to maintain a healthy capital structure, optimise return on capital, and ensure sufficient liquidity. While we face no external capital requirements, we adhere to sound financial practices to ensure long-term health and create shareholder value.

3. REVENUE

LIBF Limited revenues consists of the following:

	2023 £000s	2022 £000s
Professional Education	7,739	-
Higher Education	2,558	-
Schools	2,212	-
Overheads	(681)[3]	-
Total Revenue	**11,828**	-

The Higher Education segment covers undergraduate qualifications, postgraduate qualifications as well as apprenticeships. The programmes take up to four years for undergraduate students and apprenticeships and one year for postgraduate students. The Professional Education segment includes both Corporate & Professional courses, i.e. courses for Mortgage and Financial Advisers as well as Retail and Commercial Banking. Schools consists of school and college qualifications in finance topics.

[illegible]

Cost of Material for the financial year 2023 primarily contains course materials such as books and training materials as well as related expenses. Cost of services primarily contains remuneration for guest lecturers.

	2023 £000s	2022 £000s
Cost of Material	1,780	-
Cost of Services	625	-
Total	**2,405**	-

[illegible]

Personnel expenses for the financial year 2023 primarily contain employee salaries. Total redundancy costs (e.g. voluntary severance packages) amounted to £590k.

	2023 £000s	2022 £000s
Salaries and Wages	5,886	-
Social Security & Pension	1,172	-
Employee Benefit Expense	0	-
Total	**7,058**	-

[illegible]

	2023 £000s	2022 £000s
Depreciation	180	-
Amortisation - Intangibles	169	-

[3] Result of step down in fair value of deferred revenues as part of LIBF Limited's acquisition of the assets of London Institute of Banking and Finance

Amortisation - Right of Use Assets	486	-
Total	**835**	**-**

7. OTHER OPERATING EXPENSES

	2023 £000s	2022 £000s
Occupancy Cost	1,092	-
Other Expenditure	440	-
Telecommunication and IT	358	-
Licences and Concessions	209	-
Advertising	1,986	-
Travel	146	-
Audit and Consulting	478	-
VAT Expense	756	-
Other Personnel Expense	1,068	-
External Services	71	-
Total	**6,604**	**-**

8. AUDITOR'S FEE

Fees for the services performed by auditors at Haysmacintyre LLP were as follows:

	2023 £000s
Auditors' Fees	50

9. RELATED PARTIES

Key management compensation for the year ended 31 December 2023 totalled £1,506k including £155k related to pension costs.

	2023 £000s	2022 £000s
Key Management Personnel Compensation	1,506	-

10. NET FINANCIAL INCOME / LOSS

	2023 £000s	2022 £000s
Interest Income	170	-
Interest Expense - Leasing	(115)	-
Realised Currency Gain / (Loss)	1	-
Unrealised Currency Gain / (Loss)	(5)	-
Total	**50**	**-**

11. GOODWILL

At 31 December 2023 Goodwill amounted to £6,272k at LIBF Limited. Goodwill is the excess of the consideration transferred over IU Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities. It comprises assets which are not separately recognised such as workforce, market share and access to new customers and markets. Management has formally assessed LIBF Limited to be a single cash-generating unit to which goodwill is allocated.

Change in Goodwill

	Goodwill £000s
Cost	
At 31 December 2022	-
Business combinations	6,272
Additions	-
Disposals	-
At 31 December 2023	**6,272**
Amortisation	
At 31 December 2022	-
Charge for the period	-
Disposals	-
At 31 December 2023	-
Net Book Value	
At 31 December 2023	6,272
At 31 December 2022	-

Derivation of Goodwill

Consideration transferred:	
Total consideration transferred	17,209
Derivation of book value of acquired net assets	
Book value of net assets	**2,032**
Self-developed software and licences	(43)
Book value of adjusted net assets	**1,989**
Derivation of fair value of acquired net assets	
Book value of adjusted net assets	**1,989**
Differences in book and fair value - intangible assets	**7,217**
Trademark	933
Customer relationships	1,021
Accreditation	5,263
Property	555
Difference in book and fair value - deferred revenues	**(1,175)**
Deferred revenues	(1,175)
Total difference in book value and fair value	**8,947**
Fair value of net assets before deferred taxes	**10,936**
Derivation of goodwill	
Fair value of net assets before deferred taxes	**10,936**
Deferred taxes	-
Fair value of net assets after deferred taxes	**10,936**
Acquired net assets at fair value	10,936

Consideration transferred	17,209
Goodwill	**6,272**

12. OTHER INTANGIBLE ASSETS

	Software, Trademarks, Customers & Accreditations £000s	Self-generated Commercial Property Rights £000s	Total £000s
Cost			
At 31 December 2022	-	-	-
Business combinations	7,339	401	7,740
Additions	-	-	-
Disposals	-	-	-
At 31 December 2023	**7,339**	**401**	**7,740**
Amortisation			
At 31 December 2022	-	-	-
Charge for the period	254	37	291
Disposals	-	-	-
At 31 December 2023	**254**	**37**	**291**
Net Book Value			
At 31 December 2023	7,085	363	**7,448**
At 31 December 2022	-	-	-

13. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment consists of the Company's offices and campus as well as operating and office equipment (including right-of-use buildings and leased IT equipment). The total value of PP&E for the year ended 31 December 2023 was £4,934k.

	Freehold Property £000s	Leasehold Improvements £000s	Computer Installation, Furniture & Equipment £000s	Right of Use Assets – Buildings £000s	Right of Use Assets – Other £000s	Total £000s
Cost						
At 31 December 2022	-	-	-	-	-	-
Business Combinations	2,349	1,565	1,883	3,061	53	8,911
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2023	**2,349**	**1,565**	**1,883**	**3,061**	**53**	**8,911**
Depreciation						
At 31 December 2022	-	-	-	-	-	-
Charge for the period	258	1,539	1,694	478	8	3,977
Disposals	-	-	-	-	-	-
At 31 December 2023	**258**	**1,539**	**1,694**	**478**	**8**	**3,977**
Net Book Value						
At 31 December 2023	2,091	27	189	2,582	45	**4,934**
At 31 December 2022	-	-	-	-	-	-

11. OTHER NON-CURRENT ASSETS

	2023 £000s	2022 £000s
Investment in Controlled Entities	1,859	-
Intercompany Receivable/(Payable)	719	-
Total	**2,578**	-

Other non-current assets include The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd and related intercompany receivables.

12. INVENTORIES

Inventory totalled £25k at year-end 31 December 2023. Inventories primarily consist of course materials (e.g. books). There were no impairments related to inventory during the period.

	2023 £000s	2022 £000s
Inventory	25	-

[illegible] RECEIVABLES

	2023 £000s	2022 £000s
Accounts Receivable - Trade	4,274	-

[illegible]

	2023 £000s	2022 £000s
Deposit Money	573	-
Other Financial Receivables - Current	514	-
Prepaid Expense	294	-
Total	**1,382**	-

[illegible] EQUIVALENTS

The Company's cash balance amounts to £4,847k at 31 December 2023. At 31 December 2022, the Company had a cash balance of nil.

	2023 £000s	2022 £000s
Cash & Cash Equivalents	4,847	-

19. EQUITY

In March 2023, IU Group N.V. entered into a definitive agreement to acquire the assets of LIBF and its subsidiaries by means of an asset deal. As the equity in the Company prior to 2023 was nil, the change in equity £31.1m. The opening and closing share capital balance for the year ended 31 December 2023, as well as a summary of the allotment of shares, is outlined below.

	2023 £	2022 £
Share Capital	31,110,545	100

Allotment of shares

	Number of shares #	Issue price per ordinary share £	Total amount Paid £
Allotment of shares (14 September 2021)	100	1.00	100
Allotment of shares (31 March 2023)	2,000,000	1.00	2,000,000
Allotment of shares (31 March 2023)	24,110,445	1.00	24,110,445
Allotment of shares (13 July 2023)	2,000,000	1.00	2,000,000
Allotment of shares (4 December 2023)	3,000,000	1.00	3,000,000
Share capital (31 December 2023)	**31,110,545**		**31,110,545**

20. PENSION PROVISION

The actuary has calculated the pension disclosures for the period from 1 April 2023 to 31 December 2023 based on the asset and cashflow information provided by XPS Administration, asset information from the Fund's investment manager, information setting out the opening position for the Fund as at 1 April 2023 and information provided to us by the Scheme Actuary of the Fund used for the formal valuation of the Fund as at 31 December 2022 (the "2022 valuation"). The actuary has not carried out any further data validation checks and have therefore relied upon the financial information provided to them and the Scheme Actuary's assessment of the membership data as at 31 December 2022.

Major assumptions are as follows:	31/12/2023 £000s
Discount rate	4.59%
Price inflation (CPI)	2.65%
Pension increases pre 2006 excess over GMP	2.62%
Pension increases post 2006 pension	1.91%

Assumed life expectancies on retirement at age 60 are:	
Retiring today - Males	26.5
Retiring today - Females	28.9
Retiring in 20 years' time - Males	28.0
Retiring in 20 years' time - Females	30.4

Value of assets in the scheme:	
Investment fund	7,424
Match fund	29,013
Fair value of Fund assets	**36,437**

Return on assets over the period:	**(496)**

Present value of funded obligations	30,543
Fair value of Fund assets	36,437

Net liability in balance sheet	**5,894**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	31/12/2023 £000s
Benefit obligation - beginning of period	**30,397**
Interest cost	1,060
Net remeasurement (gains) / losses – financial	141
Net remeasurement (gains) / losses – experience	129
Benefits paid	(1,184)
Benefit obligation - end of period	**30,543**

Reconciliation of opening and closing balances of the fair value of Fund assets	31/12/2023 £000s
Fair value of Fund assets - beginning of period	**32,067**
Interest income on Fund assets	1,334
Return on assets, excluding interest income	(1,830)
Contributions by Fund participants	6,050
Benefits paid	-
Fund administrative cost	(1,184)
Business combinations	-
Settlements	-
Exchange rate	-
Fair value of Fund assets - end of period	**36,437**

Reconciliation of the effect of the asset ceiling	31/12/2023 £000s
Effect of the asset ceiling - beginning of year	1,670
Interest income on asset ceiling	274
Changes in the effect of the asset ceiling excluding interest income	3,950
Effect of the asset ceiling - end of the year	**5,894**

Amounts recognised in profit and loss:	31/12/2023 £000s
Service cost – inc. current and past service costs, and settlements	-
Service cost – administrative cost	-
Net interest on the net defined benefit liability	-
Total expense	**-**

Remeasurements of the net defined benefit liability (asset) to be shown in OCI:	31/12/2023 £000s
Net remeasurement – financial	141
Net remeasurement – demographic	-
Net remeasurement – experience	129
Return on assets, excluding interest income	1,830
Changes in the effect of the asset ceiling excluding interest income	3,950
Total remeasurement of the net defined benefit liability (asset) shown in OCI	**6,050**[4]

Sensitivity analysis[5]	**Impact on Fund liabilities** 31/12/2023 £000s

[4] An additional £50k was paid by the London Institute of Banking & Finance prior to April 2023, therefore the total OCI amounted to £6,100k (see balance sheet).

[5] Please note that extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

Discount rate – increase by 0.25%	(928)
Rate of inflation (CPI) – increase by 0.25%	739
Assumed Life expectancy at age 60 – increase 1 year	1,053

21 OTHER CURRENT LIABILITIES

	2023 £000s	2022 £000s
Total Other Current Liabilities	**2,033**	-

Accounts Payable with trade partners amount to £617k. Accruals include accrued wages and salaries (£77k), accruals for other expiring invoices (£56k), and other accruals (£822k).

22 LEASE LIABILITIES

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £000s	2022 £000s
Right of Use Liabilities – Noncurrent	2,531	-
Right of Use Liabilities – Current	439	-
Total	**2,970**	-
Amounts Recognised In Profit and Loss		
Interest on IFRS Lease Liabilities	115	-

Lease liabilities are related to the real estate and IT for the property located on 7th & 8th Floor, Peninsular House, Monument Street, London, England EC3R 8LJ.

23. DEFERRED REVENUE

	2023 £000s	2022 £000s
Deferred Revenue – Noncurrent	1,330	-
Deferred Revenue – Current	5,176	-
Total	**6,506**	-

24 EMPLOYEES

At financial year-end 2023, LIBF Limited had 169 employees, 28 of which worked in an academic capacity.

	2023
Average academic staff	28
Average non-academic staff	141
Total	**169**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION of IU Group N.V. 12/31/2023

ASSETS in EUR'000	Notes	12/31/2023	**12/31/2022**
NON-CURRENT ASSETS			
Goodwill	14	141.593	115,276
Intangible assets	15	175.800	106,195
Property, plant and equipment	16	129,258	106,243
Investment property	17	0	62
Assets from costs to obtain a contract	18	5,567	5,741
Other non-current assets	18	9,464	9,070
		461,682	**342,587**
CURRENT ASSETS			
Inventories	19	39	56
Trade receivables	20	61.974	37,660
Other current receivables and assets	21	10.580	7,690
Current tax receivables	13	23	0
Cash and cash equivalents	22	34.015	16,670
		106.631	**62,076**
TOTAL ASSETS		**568,313**	**404,663**

EQUITY AND LIABILITIES in EUR'000		12/31/2023	**12/31/2022**
EQUITY			
Issued capital	24	2.181	1,593
Capital reserve	24	79.337	12,008
Miscellaneous reserves	24	0	123
Other reserves for treasury shares exceeding the notional amount	24	-342,249	-342,249
Currency translation reserve		-684	0
Net retained loss	24	-105.387	-61,448
		-366.801	**-389,973**
NON-CURRENT LIABILITIES			
Non-current lease liabilities	25	87.124	71,686
Pension provisions	26	831	841
Non-current financial liabilities	27	579.136	524,879
Other non-current provisions	28	1,376	1,916
Non-current contract liabilities	6	54.330	34,809
Non-current deferred income	6	210	358
Deferred tax liabilities	13	52.423	28,583
		775.430	**663,072**
CURRENT LIABILITIES			
Trade payables and other liabilities	29	46.611	42,042
Current lease liabilities	25	14.975	10,076
Current financial liabilities	27	1.892	14,025
Tax liabilities	13	3.467	24
Other current provisions	28	20.715	15,047
Current contract liabilities	6	72 024	50,349
		159.683	**131,563**
TOTAL EQUITY AND LIABILITIES		**568,313**	**404,663**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME of IU Group N.V.for the Period from 1/1/2023 to 12/31/2023

in EUR'000	Notes	01/01 to 12/31/2023	**01/01 to 12/31/2022**
Revenue	6	506 778	383,169
Other income	7	29 769	13,449
Cost of materials	8	-27 902	-22,845
Personnel expenses	9	-239 614	-169,563
Amortization/depreciation	10	57 072	-43,384
Impairment loss / Reversal of impairment loss from trade *receivables and other assets*	20, 30	-6 030	702
Other expenses	11	-172 681	-135,611
Financial income	12	1 334	9,846
Finance costs	12	59 146	-36,288
Consolidated loss prior to income taxes		-24,564	**-523**
Income taxes	13	-12 586	-12,734
Consolidated loss for the year		-37,150	-13,257
of which attributable to shareholders of IU Group N.V.		-37,150	-13,257
Exchange differences on translation of foreign operations		568	0
Other consolidated comprehensive income/loss from items that may be reclassified into profit or loss		-568	**0**
Remeasurement from pension obligations	26	-7 028	429
Income tax relating to these items		0	0
Other consolidated comprehensive income/loss from items that are not reclassified into profit or loss		-7,028	**429**
Total consolidated comprehensive income/loss		-44,745	**-12,828**
of which attributable to shareholders of IU Group N.V.		-44,745	-12,828

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY of IU Group N.V for the Period from 1/1/2023 to 12/31/2023

In EUR'000	Notes	Issued capital	Capital reserve	Miscellaneous reserves	Other reserves for treasury shares exceeding the notional amount	Currency translation reserve	Net retained loss	Total equity
Balance at 1/1/2022		2.100	5,777	-192	-139.476	0	-48,190	**-179,981**
Acquisition of treasury shares	24	-507	0	0	-202,773	0	0	-203,280
Equity-settled share-based payment transaction	23, 24	0	6,231	0	0	0	0	6.231
Currency Translation		0	0	-114	0	0	0	-114
Consolidated profit/loss for the year	24	0	0	0	0	0	-13,257	-13,257
Other comprehensive income	23, 25	0	0	429	0	0		429
Total consolidated comprehensive income for the year		0	0	429	0	0	-13,257	-12.828
Balance at 12/31/2022		1,593	12,008	123	-342,249	0	-61,448	**-389,973**
Balance at 1/1/2023		1 593	12,009	123	-342,249	0	-61,448	-389.973
Issue of shares	24	588	53.941	0	0	0	0	54,529
Equity-settled share-based payment transaction	23, 24	0	13,388	0	0	0	0	13.388
Reclassifications		0	0	-123	0	-116	238	0
Consolidated profit/loss for the year	24	0	0	0	0	0	-37,150	-37.150
Other comprehensive income	24, 26	0	0	0	0	-568	-7,028	-7.596
Total consolidated comprehensive income for the year		0	0	0	0	-568	-44,177	-44,745
Balance at 12/31/2023		2.181	79.337	0	-342,249	-684	-105,387	-366,801

CONSOLIDATED STATEMENT OF CASH FLOWS of IU Group N.V.for the Period from 1/1/2023 to 12/31/2023

in EUR'000	Notes	2023	2022
Consolidated profit/loss for the year		-37,150	-13,257
Income taxes	13	12,586	12,734
Other financial income	12	57,812	26,441
Net income from continuing operations (EBIT)		**33,248**	**25,918**
Amortization/depreciation	10	57,072	43,384
Gains/losses from disposals of non-current assets	16	455	1,402
Other non-cash changes	23	12,552	6,117
Change in provisions	26, 28	3,939	6,082
Change in other non-current assets and liabilities	18, 27, 30	11,991	-5,579
Income tax payments	13	-531	-105
Cash flow from operating activities prior to change in net current assets		**118,726**	**77,218**
Change in inventories	19	143	68
Change in receivables and other current assets	20, 21	-21,319	-12,062
Non-cash changes due to IFRS 16 and IAS 40	25	-489	-64
Change in liabilities and other items	29	17,090	22,865
Payment for Trustee Fund	26	-6,862	0
Cash flow from operating activities		**107,289**	**88,025**
Investment in intangible assets and property, plant and equipment	15, 16, 17	-49,779	-53,964
Proceed from asset disposal		3,349	*0*
Payment for acquisition of subsidiary LIBF, net of cash acquired	3.1	-15,754	0
Payment for acquisition of subsidiary UFRED, net of cash acquired	3.2	-31,020	0
Interest received	12	254	181
Lease received		0	0
Cash flow from investing activities		**-92,950**	**-53,782**
Taking on of non-current financial liabilities	27	67,600	14,775
Taking on of current financial liabilities	27	45,000	30,192
Repayment of current financial liabilities	27	-45,000	-30,000
Payment for interest cap	18	0	-2,165
Lease repayments	25	-12,671	-9,285
Interest payments	12, 27, 30	-51,989	-31,595
Cash flow from financing activities		**2,940**	**-28,077**
Overview:			
Cash flow from operating activities		107,289	88,025
Cash flow from investing activities		-92,950	-53,782
Cash flow from financing activities		2,940	-28,077
= Net change in cash and cash equivalents:		**17,279**	**6,166**
Exchange rate changes in cash and cash equivalents		66	0
Cash and cash equivalents at the start of the reporting period	21	16,670	10,504
Cash and cash equivalents at the end of the reporting period		**34,015**	**16,670**

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF IU GROUP NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of IU Group NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible. This report follows our report of default prepared on 12 June 2024, in the absence of any annual accounts having been prepared within the legal deadline.

We have been appointed as statutory auditor by the general meeting d.d. 5 July 2021, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the Company's consolidated accounts for 3 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR'000 568.313 and a consolidated loss for the year of EUR'000 44.745.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors' are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

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- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and to report on this matter.

Aspects related to the directors' report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report (management report) on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report (management report) on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Antwerp, 23 August 2024

The statutory auditor
PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Filip Lozie*
Réviseur d'Entreprises / Bedrijfsrevisor

* Acting on behalf of Filip Lozie BV

Notes to the consolidated financial statements

IU Group N.V., Brussels/Belgium

for Financial Year 2023

1 Reporting entity

IU Group N.V., which has its head office at Square Ambiorix 10, Brussels, Belgium, registered in the Belgian Chamber of commerce under enterprise number 0770928680 (hereinafter also referred to as: "the Company") is the parent company of the IU Group (hereinafter: "IU" or "the Group" or "the IU Group"). Since 16 June 2023 Oakley Capital Guinness Bidco S.à r.l. which has its head office in Senningerberg, Luxembourg, holds 100% of the shares and of the voting rights in IU Group N.V. (until 15 June 2023: CP Oakley Holdings Ltd. and CPG Co Investment II GmbH & Co. KG held the majority of the voting rights). The ultimate parent company of IU Group N.V. is Oakley Killarney S.à r.l., Senningerberg, Luxembourg.

The IU Group is one of the leading full-service providers of personnel development and private third-level education in Germany. We bring together and offer academic, state-recognized courses of study. Under the brand of "IU Internationale Hochschule", we offer dual, extra-occupational and distance-learning training as well as an international management course in English.

This makes the IU Group one of the largest providers of e-learning in the German-speaking region. Our product range includes a large number of standardized B2C courses, such as distance-learning programs, combined studies, company-specific e-learning solutions, as well as the dual curriculum as a On Campus course.

In 2023, the Group expanded its global presence through strategic acquisitions of the University of Fredericton (UFred) in Canada and of the operating business of The London Institute of Banking & Finance (LIBF) in the UK, both of which now operate as wholly-owned subsidiaries. These acquisitions align with IU's strategy to enhance our educational offerings internationally. As part of these acquisitions, our international business has gained significance, which has led to changes in our internal reporting structure (please refer to note 14).

2 Scope of consolidation

In the fourth quarter of 2023, IUBH GmbH (in liquidation), Vienna, was deconsolidated. In December 2023, the entity was liquidated with the confirmation of the Commercial Court of Vienna. Deconsolidation resulted in a gain of EUR 836 thousand recognized through profit and loss.

In 2023, the Company founded four new 100% subsidiaries and acquired three new 100% subsidiaries.

For reasons of immateriality, IUBH Education India Private Limited (Mumbai, India), and IU Group Australia Pty Limited (Sydney, Australia), in which the group parent company holds 100% of the shares have not been included in the consolidated financial statements. IUBH Education India Private Limited, which has a financial year ending on 3/31/2023 and whose financial statements are prepared in accordance with Indian commercial law, has equity amounting to EUR -1 thousand as at 3/31/2023 and a net profit for the year amounting to EUR 0 thousand. IU Group Australia Pty Limited, which has a financial year ending on 12/31/2023 and whose financial statements are prepared in accordance with IFRS, has equity amounting to EUR 0 thousand as at 12/31/2023 and a net profit for the year amounting to EUR 0 thousand.

Composition of the Group

Details regarding the composition of the Group as at the balance sheet date are provided below.

Main business	Registered office	Number of wholly owned subsidiaries				
		12/31/2022	Merger	New	Liquidation	12/31/2023
Higher education institution	Germany	30	0	2	0	32
Higher education institution	Abroad	2	0	4	-1	5
Other	Germany	19	0	1	0	20

Main business	Registered office	Number of wholly owned subsidiaries 12/31/2022	Merger	New	Liquidation	12/31/2023
Other	Abroad	0	0	1	0	1
Total		51	0	8	-1	58

For further information, please refer to note 3.

3 Business combinations

A business combination is the effect of IU Group assuming control over one or more entities by a transaction or another business event. For any type of business combination, the acquisition method is to be applied. The acquisition cost of an acquired subsidiary is measured according to the fair value of the consideration, i.e. the total of transferred assets, assumed liabilities, issued equity instruments and contingent consideration. Acquisition related transaction costs are generally recognized as an expense. Recognizable assets and assumed liabilities as well as contingent liabilities are measured at fair value in the full amount regardless of the amount of IU Group's investment. Applicable are the respective values as of the time control over the subsidiary was assumed. The measurement of any goodwill is determined by the positive difference between the consideration transferred less the fair value of the acquired net assets.

3.1 Acquisition of LIBF

As of 31 March 2023, the Group acquired the business of The London Institute of Banking and Finance (LIBF) based in London, UK, by means of an asset deal. The acquisition also includes the institute's 100 per cent subsidiaries LIBF (APAC) PTE. Ltd in Singapore and LIBF (MENA) Ltd in Abu Dhabi. LIBF provides educational courses for various banking and finance degrees in the UK as primary market, Abu Dhabi as second largest market and finally followed by Singapore as third market.

The objective of the acquisition is to enter the Higher Education market primarily in the UK. The acquisition is planned to establish a stronger presence in the international market, thereby further reinforcing the group's global reputation as a trusted provider of high-quality higher education.

Goodwill in the amount of EUR 7,115 thousand essentially reflects assets which are not separately recognized such as workforce, market share and access to new customers and markets. The goodwill is subject to annual impairment tests and is allocated to the B2C International business unit. Goodwill is only deductible for tax purposes in the event of a sale, as it does not represent qualified intellectual property that is subject to regular amortization in the determination of taxable profit.

Total consideration amounts to GBP 17,209 thousand (EUR 19,519 thousand) and was paid entirely in cash on the closing date, 31 March 2023.

Intangible assets acquired primarily include the accreditation of LIBF, LIBF's customer relationships B2B and B2C as well as the trademarks LIBF, Certificate in Mortgage Advance and Practise (CeMAP) and Certificate for Documentary Credit Specialists (CDSC).

Receivables acquired within the framework of the corporate transaction, comprised essentially of trade receivables and other assets, amount to a fair value of EUR 5,528 thousand and gross receivables of EUR 5,528 thousand. At the time of the transaction, there are no indications to estimate the contractual cash flows that are expected to be uncollectible.

Acquired assets and assumed liabilities as of the acquisition date are as follows:

in EUR'000	03/31/2023
Intangible assets	8,185
Property, plant and equipment	6,155
Inventories	124
Receivables and other assets	5,528
Cash and cash equivalents	3,765
Lease liabilities	-3,531
Trade payables	-909
Contract Liabilities	-5,770
Other provisions	-1,143
Net assets	**12,404**
Goodwill	7,115
Consideration transferred	**19,519**

The acquired business contributed revenues of EUR 16,184 thousand and a net loss of EUR 6,616 thousand to the group for the period from 1 April to 31 December 2023.

The total acquisition-related costs amounted to EUR 2,121 thousand. Of this, EUR 234 thousand were fully recognized in the financial year 2023 through profit or loss and are included in other expenses. The remaining amount was recognized through profit or loss in previous years.

3.2 Acquisition of UFRED

As of 10 May 2023, IU Group N.V. acquired 100 per cent of the shares of the UC Education Inc. dba University of Fredericton (UFRED) by means of a share deal. UFRED provides fully-online, educational post-secondary certificates, diplomas and degree granting programs.

The objective of the acquisition is to enter the Canadian market. The acquisition is planned to establish a stronger presence in the international market, thereby further reinforcing the group's global reputation as a trusted provider of high-quality higher education.

Goodwill in the amount of CAD 27,911 thousand (EUR 19,014 thousand) essentially reflects assets which are not separately recognized such as workforce, market share and access to new customers and markets. The goodwill is subject to annual impairment tests and is allocated to the B2C International business unit.

Due to the share deal, the goodwill will only be recognizable for tax purposes upon the sale of the participation in UFred Inc.

The total purchase price consideration for the acquisition of UFred of CAD 82,079 thousand (EUR 55,916 thousand) included both cash and non-cash components. Cash payments consisted of CAD 8,500 thousand (EUR 5,791 thousand) at the first closing on 10 May 2023 and CAD 37,763 thousand

(EUR 25,726 thousand) at the second closing on 30 June 2023. Non-cash consideration included issuing of purchase price liabilities amounting to CAD 35,816 thousand (EUR 24,399 thousand) on the second closing. In this transaction, the Purchase Price Receivable (PPR) valued at CAD 31,943 thousand (EUR 21,761 thousand) was transferred from the vendors to a top-tier holding company and then cascaded down through the group's corporate structure to the direct parent company. This PPR was then allocated to a subsidiary, which used it to subscribe for shares in an acquisition entity and settled the transaction with the PPR as a non-cash consideration. The process concluded with the set-off of the PPR against the purchase price liability within the acquisition entity, effectively extinguishing the PPR through mutual cancellation of the debt. For the remaining PPR of CAD 3,873 thousand (EUR 2,648 thousand) the group entered into a term loan agreement (see note 27).

Intangible assets acquired primarily include the accreditation of UFred, UFred's B2C customer relationships as well as the trademark UFred.

Receivables acquired within the framework of the corporate transaction, comprised essentially of trade receivables and other assets, amount to a fair value of EUR 326 thousand and gross receivables of EUR 326 thousand. At the time of the transaction, there are no indications to estimate the contractual cash flows that are expected to be uncollectible.

Acquired assets and assumed liabilities as of the acquisition date are as follows.

in EUR'000	05/10/2023
Intangible assets	53,493
Property, plant and equipment	62
Receivables and other assets	326
Cash and cash equivalents	497
Liabilities & accruals	-710
Contract liabilities	-1,415
Deferred tax liabilities	-15,351
Net assets	**36,902**
Goodwill	**19,014**
Consideration transferred	**55,916**

The acquired business contributed revenues of EUR 7,598 thousand and a net income of EUR 784 thousand to the Group for the period from 10 May to 31 December.

Acquisition related transaction costs of EUR 2,385 thousand were fully recognized in the financial year 2023 through profit or loss These are included in other expenses.

3.3 Pro-forma revenues and loss

If both acquisitions had occurred on 1 January 2023, consolidated pro-forma revenue and loss for the year ended 31 December 2023 would have been EUR 512,785 thousand and EUR 41,359 thousand respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2023, together with the consequential tax effects.

4 Key accounting policies

4.1 Basis for the preparation of the financial statements

These consolidated financial statements of IU Group N.V. as at 12/31/2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union.

The financial statements were prepared by management and approved for distribution to shareholders and stakeholders by the directors on 23 August 2024. These consolidated financial statements will also be presented at the annual shareholder's meeting in a later stage at the occasion of the approval of the individual statutory accounts of the company.

These consolidated financial statements are denominated in euros, the functional currency of the IU Group as an entity. Unless stated otherwise, all figures are rounded up or down to the nearest thousand euros (EUR'000) in accordance with commercial rounding principles. Amounts in the consolidated financial statements are generally stated in euros (EUR thousand). Due to the rounding of individual figures, differences in the totals may arise.

The financial statements included in the consolidated financial statements of IU Group N.V. and its subsidiaries are included with uniform recognition and measurement policies applied and being observed throughout the Group. The financial statements were prepared at the same reporting date as the parent company. If the reporting year of a consolidated company does not end on December 31, necessary adjustments have been made for the purpose of consolidation.

The consolidated financial statements prepared by IU Group N.V. as at 12/31/2023 constitute the consolidated financial statements for the largest (and smallest) group of consolidated companies. The consolidated financial statements are published at the National Bank of Belgium (NBB).

The statement of profit or loss of the Group has been prepared using the nature of expense method.

Accounting has been carried out based on the assumption of continuation as a going concern.

The consolidated financial statements have generally been prepared based on the historical cost. Financial instruments are a general exception to this, provided that they have been recognized at fair value as at the balance sheet date. As at the balance sheet date, no financial instruments have been accounted for at fair value. The relevant description is provided under the respective accounting policies.

Historical costs are generally based on the fair value of the consideration provided in exchange for the asset.

The material accounting policies are described in the following sections.

4.2 Consolidation

The consolidated financial statements as at 12/31/2023 include IU Group N.V., as the parent company, and all entities of material importance that are directly or indirectly controlled by the parent company. No participations are held in any structured entities. A voting right majority amounting to 100% exists in the case of all consolidated subsidiaries, i.e. there are no non-controlling shareholders.

Control exists if IU Group N.V.:

- can exercise power over the investee,
- is exposed to variable returns from its involvement, and
- can influence the amount of the returns due to its power over the investee.

The company reassess whether or not it controls an investee, if facts and circumstances indicate that one or more of the aforementioned three criteria of control have changed.

Subsidiaries are included in the consolidated financial statements from the date on which the Company gains control over the subsidiary until the date on which the control held by the Company ends. In this context, the results of any subsidiary acquired or sold during the year are recognized in the statement of profit or loss and the other consolidated comprehensive income/loss according to the actual date of acquisition and/or actual date of disposal.

To the extent necessary, the annual financial statements of the subsidiaries are adjusted to align the accounting policies with the methods applied within the Group.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group entities are completely eliminated as part of consolidation.

The acquisition of businesses is accounted for using the acquisition method. The cost of a business combination is stated as the aggregate of the fair values, at the date of acquisition, of the assets transferred, liabilities incurred or assumed, and any equity instruments issued in exchange for control of the acquiree. It also contains the fair value of assets and liabilities resulting from contingent consideration contracts. Acquisition-related costs are recognized through profit or loss as incurred.

The identifiable assets acquired and liabilities assumed are recognized at their fair values. The following exceptions exist:

- Deferred tax assets or deferred tax liabilities, as well as assets and liabilities relating to employee benefit arrangements, are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, and
- Liabilities and equity instruments relating to share-based payments or the replacement of share-based payments by the Group are measured at their acquisition date in accordance with IFRS 2 *Share-based Payment*.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the equity share in the acquiree previously held by the acquirer (if available) over the net of the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. In the event of a negative difference – even after reassessment – the resulting gain is recognized directly through profit or loss.

If the initial accounting for a business combination is not yet complete at the end of a financial year, the Company states provisional amounts for the items for which the accounting is incomplete.

If new information that provides clarity about circumstances as at the acquisition date becomes known within the measurement period, the provisional amounts recognized are corrected and, where necessary, additional assets and liabilities are recognized.

4.3 Foreign currency translation

Foreign currency transactions of IU Group are generally translated at the closing exchange rate as of transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are subsequently translated at the respective closing exchange rates and any translation differences in the reporting period or from previous financial statements are recognized in the income statement through profit or loss. Non-monetary items valued at historical cost continue to be translated at historical exchange rates. The historical exchange rate equals the exchange rate as of the item's first-time recognition.

Separate financial statements in a foreign currency are translated according to the functional currency approach under IAS 21 in application of the modified closing rate method. The assets and liabilities of the consolidated foreign entities, all of which are financially and economically independent as well as independently organized, are translated at the closing exchange rate of the reporting date while expenses and income are translated at average annual exchange rates and equity items are translated at historical exchange rates. Translation differences are recognized in equity outside profit or loss and recognized in other comprehensive income.

The following table shows the exchange rates used for the translation of the currencies of material importance to the Group:

	Closing rate			Average rate		
EUR	**12/31/2023**	12/31/2022	Change in %	**2023**	2022	Change in %
USD	1.10	1.07	2.80	1.09	1.08	0.93
GBP	0.87	0.89	-2.25	0.86	0.93	-7.53
CAD	1.46			1.46		

4.4 Revenue recognition

IFRS 15 sets out a comprehensive framework for determining whether, in what amount and at which date revenue is to be recognized.

According to IFRS 15, such recognition of revenue takes place when control over a product or service is transferred to the customer. Judgments must be made to determine whether control is transferred based on a specific time or period.

Sales are measured based on the consideration stipulated in a contract with each customer. The Group recognizes revenues when it transfers control over a good or service to a customer. Further descriptions regarding the type and date of the fulfillment of performance obligations from contracts with customers, including the significant payment terms and the associated principles of revenue recognition, are provided in note 5.

In addition, assets result from costs to obtain a contract and these have been capitalized in the amount of the directly attributable costs. These are amortized over the terms of the contracts on a straight-line basis.

In addition to the revenues pursuant to IFRS 15, the Group generates revenues within the meaning of IFRS 16 that results primarily from the leasing of student accommodation. In all cases, this relates to operating lease contracts for which revenue is collected on a straight-line basis.

4.5 Income taxes

Current taxes

Current taxes are determined based on the respective tax results and recognized to the extent that they will probably be recognized for tax purposes. If uncertainties regarding such recognition exist, tax liabilities are recognized in the amount of the best possible estimate of the anticipated tax payment. The inclusion of tax liabilities from uncertain tax items in accounting only takes place if their realization is probable. The assumptions and decisions made are reviewed at each reporting date and, where necessary, adjusted based on any new knowledge gained.

Deferred taxes

Deferred taxes are recognized due to temporary differences between the amounts recognized in the respective tax accounts at national level and the IFRS accounts incorporated into the consolidated financial statements, due to consolidation processes as well as for tax loss carryforwards. Calculations are made according to the liability method of IAS 12.

For the assessment of the recoverability of the deferred tax assets, an assessment is made regarding the extent to which realization is sufficiently probable and whether sufficient convincing substantive indicators can be demonstrated.

Whether the deferred tax assets can actually be realized depends on whether a sufficient level of tax income can be generated in future against which the temporary differences and tax loss carryforwards can be offset. In this context, existing taxable temporary differences or corporate planning are drawn upon. If utilization cannot be expected, then corresponding loss allowances are recognized.

The assumptions made here regarding the future taxable income available for the utilization of deferred tax assets are nevertheless subject to uncertainties. Deferred tax liabilities and assets are netted if a legally enforceable right to offset current tax assets against current tax liabilities exists and if the deferred taxes relate to income taxes that are levied by the same tax authority.

4.6 Intangible assets

The following useful lives are generally assumed for the calculation of amortization:

• Computer software	3 – 13 years
• Capitalized development costs	2 – 5 years
• Licenses	2– 10 years
• Brand names	5 – 18 years
• Course program content	4 – 13 years
• Student base	2 – 10 years

Separately acquired intangible assets

Separately acquired, i.e., not as part of a business combination, intangible assets with a definable useful life are recognized at cost less accumulated amortization and impairment losses. Amortization is recognized through expenses on a straight-line basis over the useful life of the assets. Expected useful lives and the methods of amortization are reviewed at each reporting date and all changes in estimates are taken into consideration prospectively.

Separately acquired intangible assets with indefinite useful lives do not exist within the Group.

Goodwill

The goodwill resulting from a business combination is recognized at cost less, where necessary, impairment losses and stated separately in the consolidated statement of financial position.

For the purposes of the impairment test, goodwill is divided into those cash-generating units (or groups thereof) of the Group from which it is expected that it will be possible to benefit from the synergy effects of the business combination. The Group has four cash-generating units during the financial year. Details are provided on this in note 14.

Cash-generating units that have been allocated some part of the goodwill must be tested for impairment at least once per year. If indications for the impairment of a unit exist, it may be necessary to carry out impairment tests more regularly. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is initially attributed to the carrying amount of any goodwill allocated to that unit and then attributed proportionately to the other assets based on the carrying amounts of each and every asset in proportion to the total carrying amount of the assets within the unit. In this context, the recoverable amount is the higher value from the value in use and fair value less costs of disposal.

All impairment losses to goodwill are recognized directly in the statement of profit or loss. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

For the sale of a cash-generating unit, the attributable amount of goodwill is taken into consideration when determining the disposal gains or losses.

Internally generated intangible assets

Internally generated intangible assets that result from development activities or the development phase of an internal project are accounted for once the following evidence is present:

- The completion of intangible assets is realizable from a technical standpoint such that it will be available for use or for sale.
- There is an intention to complete the intangible asset and to use or sell it.
- There is an ability to use or sell the intangible asset.
- The intangible asset is expected to result in a future economic benefit.
- Adequate technical, financial and other resources are available to be able to complete the development and to use or sell the intangible asset.

- There is an ability to determine reliably the attributable costs that arise in the course of developing the intangible asset.

The amount at which an internally generated intangible asset is recognized for the first time is the total of the expenses that have arisen since the date on which the intangible asset fulfilled the aforementioned conditions for the first time. If an internally generated intangible asset cannot be capitalized or if no intangible asset exists yet, the development costs are recognized through profit or loss in the period in which they arise.

In the subsequent periods, internally generated intangible assets are, exactly as is the case with acquired intangible assets, measured at cost less accumulated amortization and impairment losses. Capitalized development costs in the Group are amortized on a straight-line basis over a useful life of 2 to 5 years.

Intangible assets acquired in the course of a business combination

Intangible assets that have been acquired in the course of a business combination, e.g., brand names, accreditations, customer relationships and the study content of courses and modules, are recognized separately from intangible assets and measured at their fair value at the acquisition date. In the subsequent periods, intangible assets that were acquired in the course of a business combination are measured at cost less accumulated amortization and any impairment losses.

Because of the expected benefit of the brand name "IU" (former: "IUBH") held within the Group and due to its strong reputation for high-quality education, the intangible asset of this brand name has an indefinite useful life. Furthermore, the accreditation assets also have an indefinite useful life.

The brand name "IU" and accreditations have an indefinite useful life and are therefore not written down on a straight-line basis and instead undergo regular impairment testing. The Group regularly invests in these assets by means of marketing and quality assurance to maintain or increase their value. Accreditations, in particular, serve as the basis for the licensing of higher education institutions.

Derecognition of intangible assets

Intangible assets have to be derecognized upon disposal or if no economic benefit can be expected from their use or disposal. The gain or loss from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit or loss at the date of derecognition. Items are reported under other income or other expenses.

4.7 Property, plant and equipment

Property, plant and equipment is disclosed at cost less accumulated depreciation and recognized impairment losses. Depreciation is carried out such that the cost of assets is amortized on a straight-line basis over their useful life. The expected useful life, residual values and depreciation methods are reviewed on each reporting date. All necessary changes in estimates are taken into consideration prospectively. The following economic useful lives for material assets serve as the basis for determining the depreciation of property, plant and equipment:

• IT equipment	2 – 10 years
• Other equipment	2 – 20 years
• Library equipment	4 – 13 years
• Cars and other means of transport	5 – 8 years
• Buildings	20 – 50 years
• Right-of-use assets of cars	2 – 6 years
• Right-of-use assets of other office equipment	3 – 6 years
• Right-of-use assets of buildings	2 – 13 years

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefit is expected from the continued use of the asset. The gain or loss from the sale or retirement of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

4.8 Investment property

Investment property is real estate property or parts thereof that are primarily held in order to generate rental income or for increases in capital. Investment property is accounted for in accordance with the cost model, i.e., measured at cost less accumulated depreciation and any accumulated impairment losses. Unleased property is additionally adjusted for any remeasurement of the lease liability resulting from a new assessment or change in leasing conditions.

The Group does not own any real estate property of its own. It has nevertheless leased premises at multiple locations in order to operate the higher education institution. Due to the growth strategy pursued, significantly larger spaces were often leased than the current demand requires to have space for growth. In order to minimize temporary vacancies, these spaces are usually temporarily sub-leased. These sub-leased spaces must therefore be disclosed as investment property.

Each gain or loss from the disposal of investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss under other income or other expenses.

Rental income from investment property is recognized as other income on a straight-line basis over the lease period. Any rent incentives granted are recognized as a component of the total rental income over the lease period.

4.9 Impairments of investment property, right-of-use assets and property, plant and equipment as well as intangible assets

At each reporting date, the Group reviews the carrying amounts of the investment property, the right-of-use assets and property, plant and equipment as well as intangible assets in order to determine whether there are any indications of an impairment of these assets. If any such indications are identifiable, the recoverable amount of the asset is estimated in order to determine the extent of the potential impairment loss. If the recoverable amount of an individual asset cannot be estimated, the estimation of the recoverable amount is made based on the cash-generating unit to which the asset belongs.

In the case of intangible assets with indefinite useful lives and those that are unavailable for use, an impairment test is carried out at least once per year and whenever there is an indication of any impairment triggering event.

The recoverable amount is the higher of the asset's fair value less costs of disposal and the value in use. When determining the value in use, the estimated future cash flows are discounted at the weighted average cost of capital (WACC). This discounting rate is a pre-tax figure of 9.96% for the B2C DACH Core CGU, 9.91% for the B2C DACH Other CGU, 9.62% for the B2C International CGU and 9.93% for the On Campus CGU (prior year for B2C: 11.42% and for B2B: 11.33%) that has been estimated on the basis of the sector's historical average weighted capital costs and at a risk-free rate of 2.75%.

If the estimated recoverable amount of an asset or a cash-generating unit falls below its carrying amount, the carrying amount of the asset or a cash-generating unit is reduced to the recoverable amount.

If the impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit or of the cash-generating unit is increased to the most recent estimate of the recoverable amount. In this context, the increase in net assets is limited to the value that would have resulted if no impairment loss had been recognized for the asset or a cash-generating unit in the prior years. By contrast, no goodwill is written up.

Impairments on investment property, right-of-use assets, property, plant and equipment and intangible assets are recognized under the item "Amortization/depreciation" in the consolidated statement of comprehensive income.

Non-financial assets other than goodwill that suffered an impairment are reviewed for a possible reversal of the impairment at the end of each reporting period.

4.10 Inventories

Inventories primarily contain licenses for students, teaching materials and inventories for the canteen. They are recognized at cost. Due to their subordinate importance for the consolidated financial statements, no write-downs are recognized at the reporting date.

4.11 Financial assets

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial assets and contains three basic categories for the classification of financial assets: those measured at amortized cost (AC), those measured at fair value with changes through other comprehensive income (FVOCI) and those measured at fair value with changes through profit or loss (FVTPL).

The classification of financial assets pursuant to IFRS 9 is carried out based on the business model of the Company for managing financial assets and the characteristics of the cash flows. Trade receivables are recognized from the date on which they arise onwards.

The financial assets of the IU Group consist of loans to related parties, trade receivables, other assets and cash. Finance lease receivables are disclosed under other non-current/current assets (see note 4.10).

The financial assets of the IU Group are initially recognized on the trade date if the Company becomes a contractual party under the contractual terms of the financial instrument. The amount recognized here is the settlement amount.

The loans to related parties are initially measured at fair value. The trade receivables of IU Group do not have any significant financing component and are therefore measured at transaction price upon initial recognition. Cash is measured at fair value.

Trade receivables are not sold and are usually recovered by the Company itself. In addition, the underlying contracts contain exclusively the claim for the payment of the receivable and fulfill the requirements for "standard cash flow conditions". For these reasons, the trade receivables undergo subsequent measurement within the "amortized cost" category. Both cash and other assets undergo subsequent measurement at "amortized cost".

The risk provisions and thus also the loss allowances for trade receivables are based on the model of expected credit losses pursuant to IFRS 9.

With regard to trade receivables, the amount recognized depends on the credit risk of the counterparty as at the measurement date. In this context, a simplified approach based on a default rate and individual loss allowances is applied ("lifetime expected credit loss"). Lifetime expected credit loss is the ECL that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to be individually impaired if it is improbable that the debtor will be able to pay their credit obligation in full without measures such as the utilization of collateral (if available) being taken.

The Group derecognizes financial assets if the contractual rights relating to the cash flows from the financial asset expire or it transfers the rights to receive the cash flows as part of a transaction in which all material risks and opportunities relating to ownership of the financial assets are transferred or collectability can no longer be anticipated.

No offsetting of financial assets and financial liabilities is carried out because the required conditions have not been met. Financial assets and liabilities are only offset and disclosed as netted in the statement of financial position if the Group has a current enforceable right to offset the amounts recognized against each other and it is intended either to settle them on a net basis or to realize the asset and settle the liability simultaneously. These necessary conditions have not been met. Therefore, no offsetting of financial assets and financial liabilities has been carried out.

4.12 Government grants

Government grants relating to assets are initially recognized as deferred income at fair value as soon as it is reasonably certain that they can be awarded, and the Group will fulfill the conditions relating to the grant. Subsequently, these other government grants are recognized on a scheduled basis as other income in the statement of profit or loss.

Grants that compensate the Group for expenses incurred are recognized on a scheduled basis in the periods in which the expenses are recognized as other income (see note 7) or personnel expenses (see note 9) in the statement of profit or loss.

4.13 Leases

The present value of lease liabilities has been determined on the basis of the future leasing installments to be paid over the remaining term of the lease. A term-based, risk-free interest rate plus a margin has been used as the incremental borrowing rate for discounting. Right-of-use assets and lease liabilities have not *been recognized for those leases with a remaining term of 12 months or less or for leased objects of low* value.

Leases under which the Group is lessee

IU Group leases buildings, cars and other assets (printers, copy machines etc.). The real estate lease agreements primarily relate to the premises for university operations (lecture halls, cafeterias etc.), administrative buildings, parking spaces and student residences.

The real estate lease agreements initially have a fixed contractual term of 2 to 13 years which are extended by additional periods of 1 to 10 years by way of extension options that can be exercised unilaterally by IU Group. Furthermore, for some real estate lease agreements, IU Group has the right to exercise an early termination option. IU Group recognizes a right-of-use asset and a lease liability in its accounts at the start of the use transfer. The extension options that can be exercised unilaterally by IU Group are not included in the accounting for leases under which the Group is lessee because the Group currently does not believe that these options will be exercised.

The right-of-use asset is written down on a scheduled basis using the straight-line method either over the term of the lease or the useful life of the assets depending on which term is shorter. Furthermore, if indications to do so exist, loss allowances are recognized for the right-of-use asset and the lease liability is adjusted for certain remeasurements of the lease liability.

The lease liability is recognized at the present value of future leasing payments. Discounting is carried out at the interest rate underlying the lease or, if this cannot be determined, at the incremental borrowing *rate that is specific to the lessee.*

The leasing payments that are incorporated into the calculation of the lease liability include:

- fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the start of the use transfer,
- the amount that is expected under a residual value guarantee, and
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised, lease payments of an extension option if it is reasonably certain that the option will be exercised and payments of penalties for the early termination of the lease if it is reasonably certain that this will be done.

Lease liabilities are measured at amortized cost using the effective interest method. They are remeasured if a change in the index or rate results in a change in the amount of leasing payments, if the *estimation of the anticipated amount from the utilization of a residual value guarantee changes or if the Group* changes its assessment regarding the exercising of a purchase option, extension option or an early termination option.

If a lease liability is remeasured accordingly, the carrying amount of the right-of-use asset is adjusted analogously. If the lease liability decreases and the amount of the adjustment exceeds the carrying amount of the right-of-use asset, the adjustment amount that exceeds the carrying amount is to be recognized through profit or loss.

IU Group does not recognize any right-of-use assets or lease liabilities for short-term leases (maximum 12 months) and leases for leased objects of low value. The Group recognizes the expenses for these leases on a straight-line basis over the lease term. The Group makes use of the portfolio accounting option. Some leases have both lease components and non-lease components, especially those for cars. The Group has exercised the option to treat these contracts as a whole as leases.

The development of right-of-use assets is shown in the fixed asset movement schedule under note 15.

In 2023, IFRS 16 resulted in the following effects on the statement of comprehensive income.

in EUR'000	2023	2022
Depreciation of right-of-use assets	14,835	10,193
Depreciation of right-of-use assets relating to investment property	0	7
Interest expenses on lease liabilities	6,348	4,216
Expenses for short-term leases	736	1,415
Total	**22,919**	**15,831**

The total cash outflows for leases amount to EUR 19,755 thousand in 2023 (prior year: EUR 14,916 thousand).

In the financial year under review, the Group entered into new lease liabilities amounting to EUR 206 thousand (prior year: EUR 1,198 thousand) that first commence in 2024.

Leases under which the Group is lessor

Within the context of sub-leasing, the Group leases out its own leased buildings and parts of buildings (individual floors or offices) to unrelated third parties. From a lessor standpoint, there are both sub-leases that are categorized as finance leases and sub-leases that are categorized as operating leases. Pursuant to IFRS 16.3, that standard applies to all types of leases, including those entailing right-of-use assets that are leased on to others within the context of sub-leasing.

Finance leases

In 2023, the Group sub-leased buildings or parts of buildings that are disclosed as right-of-use assets in property, plant and equipment. The existing finance leases as at 12/31/2023 include lease receivables in the amount of EUR 2,916 thousand. The leasing out of commercial spaces is not a typical activity for the Group and therefore the recoverability of the lease receivables is specifically subject to continuous monitoring to minimize the risk of default.

The sub-leases concerned here relate to the building (sections) used by Steigenberger Akademie and its subsidiaries. The Steigenberger Akademie Group was sold in the financial year 2019. The lease agreements for the building (sections) exist with IU Internationale Hochschule GmbH, meaning that sub-leasing became necessary here. The Steigenberger Akademie Group may, in principle, terminate the sub-lease agreement early. Nevertheless, due to the highly specific business model of the Steigenberger Akademie Group, almost no alternative rental properties are available. The management of the IU Group has determined that, due to the highly specific business model and the lack of alternative rental properties, the sub-lease agreement for the building sections would typically be maintained until the end of the main lease agreement. Therefore, despite the anticipated closure of the Steigenberger Akademie's operations as detailed in Note 35, 'Events after the reporting period', this sub-lease has been classified as a finance lease in accordance with IFRS.

In 2023, the Group recognized interest income for lease receivables amounting to EUR 220 thousand *(prior year: EUR 181 thousand).*

The table below provides a maturity analysis of the leasing receivables and shows the non-discounted lease payments that are to be received after the reporting date.

in EUR'000	2023	2022
Less than one year	711	510
One to five years	2,727	2,040
More than five years	0	425
Total amount of undiscounted lease receivables	3,438	2,975
Interest components	522	531
Finance lease receivables	2,916	2,444

Operating leases

The Group leases out its investment property. *The Group has categorized these leases as operating* leases because the transfers here have not generally included all risks and opportunities associated with the right-of-use assets. Note 17 provides information regarding the operating leases for investment property. In addition, the student residences and some of the parking spaces leased by the Group serve the purpose of sub-leasing to students. The rents here are in line with normal market rates.

4.14 *Cash and cash equivalents*

Cash and bank balances are measured at cost. These include cash on hand, bank balances available on demand and other current highly liquid financial assets that at their date of acquisition had a maximum term of three months.

4.15 Share-based payment

These consolidated financial statements contain exclusively share-based payments that are settled *using equity instruments. The Group has no obligation to settle the share-based payments, wherefore they* account for the share-based payment arrangements as an equity-settled plan in accordance with IFRS 2. The fair value as at the date of granting the share-based payment arrangements to employees is recognized as expenses with a corresponding increase in equity over the period in which the employees obtain an unconditional entitlement to the awards. The amount recognized as an expense is adjusted in order to reflect the number of awards for which the corresponding service conditions and market-independent performance conditions are fulfilled in accordance with expectations, meaning that the amount ultimately recognized is based on the number of awards that fulfill the corresponding service conditions and market-independent performance conditions at the end of the vesting period. For share-based payment awards with non-vesting conditions, fair value is determined on the date they are granted with such conditions taken into consideration. No adjustment for the differences between the expected and actual results has to be carried out.

4.16 Pension provisions

The Group has pension plans for employees in Germany and United Kingdom. The calculation of provisions for pensions is based on the projected unit credit method in accordance with IAS 19. The net obligation of the Group with regard to the existing defined benefit liability is calculated by estimating future benefits that the eligible past employee earned in earlier periods. This amount is discounted. The calculation of the defined benefit obligations is carried out annually by an accredited actuary

Remeasurements of the liability from defined benefit plans are generally recognized directly in other comprehensive income with deferred taxes taken into consideration. The revaluation includes the actuarial gains and losses from the defined benefit obligation that may result, for example, from differences between actual trends and measurement assumptions. The Group determines the net interest expenses (income) for the liability (asset) from defined benefit plans for the reporting period by applying the discounting rate that was used for the measurement of the defined benefit obligation at the start of the annual reporting period. At this date, the discounting rate is applied to the net liability (asset) from the defined benefit liabilities. In this context, account is taken of any changes that arise in the liability (asset) from the defined benefit liabilities during the period as a result of contribution and benefit payments. For the German Part, no tax effect is considered. This is because the respective legal entity (hr Team Horst Rückle GmbH) is not part of the income tax group and possesses tax loss carryforwards to be utilized in the future. Therefore, no considerable tax effect is to be expected.

In United Kingdom no tax effect from the OCI is anticipated, as it does not affect either current or deferred tax positions.

4.17 Other provisions

Provisions are recognized if the Group has a present obligation (legal or constructive in nature) arising from a past event and it is probable that the settlement of the obligation will result in an outflow of resources and a reliable estimate of the amount of the provision can be made.

The provision amount recognized is the best estimate made as at the reporting date for the payment to be additionally made in order to settle the current obligation. In this context, risks and uncertainties inherent to the obligation are to be taken into account. If a provision is measured based on the estimated cash flows for the settlement of the obligation, these cash flows must be discounted if the interest effect is of material significance.

If it can be assumed that parts of or all of the economic benefits required for the settlement of the provision will be reimbursed by an external third party, this claim is capitalized as an asset if the reimbursement is virtually certain, and the amount concerned can be estimated reliably.

A liability for payments caused by the termination of an employment relationship is recognized if the Group can no longer withdraw the offer of such payments or, if earlier, the Group has recognized the associated costs for restructuring.

4.18 Financial liabilities

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial liabilities and essentially contains the following categories for the classification of financial liabilities: those measured at amortized cost and those measured at fair value with changes through profit or loss.

A financial liability is measured at fair value with value changes through profit or loss if it is classified as held for trading, it is a derivative or is designated as such upon initial recognition. Other financial liabilities are measured at amortized cost using the effective interest method.

The financial liabilities of the IU Group are initially recognized on the settlement date when the Company becomes a contractual party under the contractual terms of the financial instrument concerned.

The financial liabilities of the IU Group consist exclusively of primary financial instruments.

These are recognized in the consolidated statement of financial position of IU Group at the date when the contractual obligation arises to transfer cash or other financial assets to another party. The financial liabilities belong to the "amortized cost" category and are measured at their repayment amount or at amortized cost using the effective interest method. In the case of liabilities with a term of less than one year, it is assumed that the fair value corresponds to the repayment value. Non-interest-bearing liabilities with a term of more than one year do not exist in the case of IU Group. Directly attributable transaction costs are also recognized for liabilities and amortized over their contractual term using the effective interest method.

Interest expenses of financial liabilities are recognized through profit or loss in net financial income/loss.

Financial liabilities are derecognized if the contractual obligations have been settled, have been canceled or expired.

No offsetting of financial assets and financial liabilities is carried out because the required conditions have not been met. Financial assets and liabilities are only offset and disclosed as netted in the statement of financial position if the Group has a current enforceable right to offset the amounts recognized against each other and it is intended either to settle them on a net basis or to realize the asset and settle the liability simultaneously. These necessary conditions have not been met Therefore, no offsetting of financial assets and financial liabilities has been carried out.

4.19 Other liabilities

This item primarily includes tax liabilities, advance payments received and liabilities to employees that do not constitute financial liabilities within the meaning of IAS 32. The other liabilities are recognized at their settlement amount.

4.20 Use of judgments and estimates

The preparation of the consolidated financial statements requires the executive directors to make judgments and estimates that affect the application of accounting policies and the disclosed amounts of assets, liabilities, income and expenses. Actual events may differ from these estimates.

Judgments

Information about judgments made in the application of those accounting policies that most materially influence the amounts recognized in the financial statements are contained in the following notes:

- Note 3: Business combinations
- Note 4.4: Revenue recognition
- Note 4.5: Income taxes
- Note 4.9: Impairments of investment property, right-of-use assets and property, plant and equipment as well as intangible assets
- Note 4 11: *Financial assets*
- Note 4.13: Leases
- Note 4.16: Pension provisions
- Note 4.17: Other provisions
- Note 4.18: Financial liabilities

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 12/31/2023 that could result in a significant risk of material adjustments to the carrying amounts of assets and liabilities becoming necessary within the next financial year are contained in the following notes:

- Note 4.13: Accounting for sub-leases
- Note 4.6: Intangible assets
- Note 0:
- Revenue

- Note 14: Goodwill
- Note 20 and note 30: Expected credit loss for trade receivables and other assets
- Note 26: Pension provisions
- Note 28: Other provisions

Determining fair values

A number of the Group's accounting policies and disclosures require the fair values of financial assets and liabilities as well as non-financial assets and liabilities to be determined.

When determining the fair value of an asset or liability, the Group uses observable market data to the greatest degree possible. In this context, the Group takes into account certain characteristics of the asset or the liability (such as condition and location of the asset or limitations of sale and use) if market participants would also take these characteristics into account when determining the price for the acquisition of the respective asset or transferring the liability as at the reporting date. In these consolidated financial statements, the fair value for the measurement and/or disclosure requirements is determined exclusively on this basis.

Excluded from this are:

- Share-based payments within the scope of IFRS 2 Share-based Payment
- Leases within the scope of IFRS 16 Leases
- Measurement standards that are similar to fair value but that are not equivalent to it, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

Based on the input factors used in the measurement techniques, the fair values are categorized into various levels within the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities
- Level 2: Measurement parameters that do not entail the quoted prices taken into consideration in level 1 but which can nevertheless be observed directly (i.e. as a price) or indirectly (derivation of prices)
- Level 3: Measurement parameters for assets or liabilities that are not based on observable market data.

If the input factors used for determining the fair value of an asset or a liability can be categorized into differing levels of the fair value hierarchy, the measurement at fair value is assigned in its entirety to the same level of the fair value hierarchy as the lowest level input that is of material significance to the entire measurement.

The Group recognizes transfers between the different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Additional information regarding the assumptions for determining the fair values is contained in the following notes:

- Note 14: Goodwill
- Note 3: Business Combinations
- Note 23: Share-based payment arrangements
- Note 26: Pension provisions

4.21 *Change in accounting policies – changed standards and interpretations*

The following standards were applied for the first time on 1/1/2023 with no or no material impact on the Group:

Standard / Interpretation	**Title of the Standard / Interpretation or amendment**	**Initial application Date**
IAS 1	Amendments to IAS 1 (Presentation of Financial Statements) and IFRS Practice Statement 2 (Disclosure of Accounting policies)	01/01/2023
IAS 12	Amendments to IAS 12 (Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules)	01/01/2023
IAS 8	Amendments to IAS 8 (Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates)	01/01/2023
IFRS 17, IFRS 9	Amendments to IFRS 17 and IFRS 9 (Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information)	01/01/2023

4.22 New standards and interpretations that are not yet obligatorily applicable

The IU Group is not planning for any early application of the following new or changed standards and interpretations that will first become obligatorily applicable in later financial years. Unless otherwise stated, the effects on the consolidated financial statements of the Group are currently being assessed. The Group nevertheless assumes that the amendments will not result in any material effects on its consolidated financial statements.

Standard / Interpretation	**Title of the Standard/Interpretation or amendment**	**Effective Date**
IAS 1	Amendments to IAS 1 (Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current - Deferral of Effective Date and Non-current Liabilities with Covenants)	01/01/2024
IFRS 16	Amendments to IFRS 16 (Leases: Lease Liability in a Sale and Leaseback)	01/01/2024
IAS 7; IFRS 7	Issue of the Supplier Finance Arrangements, which amended IAS 7 and IFRS 7.	01/01/2024

No EU endorsement has yet been issued for the following new or amended standards and interpretations. Unless otherwise stated, the effects on the consolidated financial statements are currently being assessed.

Standard / Interpretation	Title of the Standard/Interpretation or amendment	IASB Effective Date
IAS 21	Amendments to IAS 21 (Lack of Exchangeability: contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not)	01/01/2025
IFRS 18	First issue of IFRS 18 (Presentation and Disclosures in Financial Statements)	01/01/2027
IFRS 19	First issue of IFRS 19 (Subsidiaries without Public Accountability: Disclosures)	01/01/2027
IFRS 9, IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	01/01/2026

5 Disclosures regarding subsidiaries

Details regarding the consolidated subsidiaries as at the reporting date are provided below.

List of shareholdings

Company	Registered Office	Equity in EUR'000 12/31/2023	Net income in EUR'000 12/31/2023	Share in percent 2023
Subsidiaries included in the consolidated financial statements				
hr Team Horst Rückle GmbH	Holzgerlingen	365	14	100
IU Academic Coordination & Program Services GmbH (previously: IU Teaching Services 3 GmbH) *	München	25	0	100
IU Augsburg GmbH *	Augsburg	25	0	100
IU Bad Honnef GmbH *	Bad Honnef	25	0	100
IU Bielefeld GmbH *	Bielefeld	25	0	100
IU Bremen GmbH *	Bremen	25	0	100
IU Commercial 1 GmbH *	München	25	0	100
IU Commercial 2 GmbH *	München	25	0	100
IU Corporate Functions GmbH *	München	25	0	100
IU Corporate Relations GmbH *	München	25	0	100
IU Corporate Services GmbH *	München	25	33	100
IU Dortmund GmbH *	Dortmund	25	0	100
IU Dresden GmbH *	Dresden	25	0	100
IU Duisburg GmbH *	Duisburg	25	0	100
IU Erfurt GmbH *	Erfurt	25	0	100
IU Essen GmbH *	Essen	25	0	100
IU Examination Service GmbH *	München	25	0	100
IU Finance Management GmbH *	München	25	0	100
IU Frankfurt a.M. GmbH *	Frankfurt	25	0	100
IU Freiburg GmbH *	Freiburg	25	0	100
IU Hamburg GmbH *	Hamburg	25	0	100
IU Hannover GmbH *	Hannover	25	0	100
IU International Holding Services GmbH (previously: IU Teaching Services 4 GmbH) *	München	54,167	0	100
IU International Services 1 GmbH * (newly created)	München	25	0	100
IU International Services 2 GmbH *	München	25	0	100
IU Internationale Hochschule GmbH *	Erfurt	37,091	7,260	100
IU IT Services GmbH *	München	25	0	100

Company	Registered Office	Equity in EUR'000 12/31/2023	Net income in EUR'000 12/31/2023	Share in percent 2023
IU Karlsruhe GmbH *	Karlsruhe	25	0	100
IU Köln GmbH *	Köln	25	0	100
IU Leipzig GmbH *	Leipzig	25	0	100
IU Lübeck GmbH *	Lübeck	25	0	100
IU Mainz GmbH *	Mainz	25	0	100
IU Mannheim GmbH *	Mannheim	25	0	100
IU Marketing Service GmbH *	München	25	0	100
IU Media Production Services GmbH *(previously: IU Teaching Services 2* GmbH) *	München			100
IU Medical School GmbH *	Mainz	25	0	100
IU München GmbH *	München	25	0	100
IU Münster GmbH *	Münster	25	0	100
IU Nürnberg GmbH *	Nürnberg	25	0	100
IU Sales Services GmbH *	München	25	0	100
IU Service GmbH *	Bad Honnef	25	0	100
IU Student Services Berlin GmbH *	Berlin	25	0	100
IU Student Services Braunschweig GmbH *	Braunschweig	25	0	100
IU Student Services Düsseldorf GmbH*	Düsseldorf	25	0	100
IU Student Services GmbH *	München	25	0	100
IU Stuttgart GmbH *	Stuttgart	25	0	100
IU Teaching Services 1 GmbH *	München	25	8	100
IU Teaching Services 5 GmbH * (newly created)	München	25	0	100
IU Teaching Services 6 GmbH * (newly *created)*	München	25	0	100
IU Ulm GmbH *	Ulm	25	0	100
Pro Verwaltung GmbH (in liquidation)	München	997	42	100
Study Access Alliance gGmbH	München	55	32	100
IU College London Ltd (previously: International College London Ltd)	England & Wales, United Kingdom	-845	-728	100
LIBF Limited (newly consolidated)	*England &* Wales, United Kingdom	25,719	-3,151	100
London Institute of Banking & Finance (APAC) Ltd. (newly acquired)	Singapore	-516	-137	100
London Institute of Banking & Finance (MENA) Ltd. (newly acquired)	United Arab Emirates	1,674	-813	100
743817 N.B. Inc. (newly created)	Canada	56,894	-1,227	100
UC Education Inc. / University of Fredericton (newly acquired)	*Canada*	2,164	1,540	100

**) Companies with profit/loss transfer agreements*

6 Revenue

Revenue flows

IU Group primarily generates revenues from tuition fees from its offerings of in-person course programs as well as of dual, extra-occupational and distance-learning training. Revenues consist of the following:

in EUR'000	2023	2022
Revenue from tuition fees	503,238	380,753

in EUR'000	**2023**	2022
Revenues from leasing	1,372	1,374
Revenue from catering	332	349
Other revenues	1,836	693
Total	**506,778**	383,169

Of the revenues, income amounting to EUR 503,908 thousand (prior year: EUR 381,496 thousand) is generated from contracts with customers. Revenue from leasing (IFRS 16) amounts to EUR 1,372 thousand (prior year: EUR 1,374 thousand). Furthermore, other revenues contain amounts from changes in course programs and the reissuing of student IDs and semester tickets as well as agency fees for semesters abroad amounting to EUR 1,498 thousand (prior year: EUR 299 thousand).

Operating units

The B2C operating units primarily include distance learning courses and combined studies, while the On Campus unit comprises the dual curriculum and on campus course programs.

in EUR'000	**2023**	2022
B2C DACH Core	242,547	219,166
B2C DACH Other	23,143	26,368
B2C International	52,585	8,199
On Campus	188,503	129,436
Total	**506,778**	383,169 *

* Categorization has been adjusted and prior year figures have been reclassified accordingly, because new internal reporting structure was implemented in 2023.

Contract balances

The following table provides an overview of assets from costs to obtain a contract, trade receivables, assets resulting from contracts with customers and liabilities resulting from contracts with customers.

in EUR'000	**12/31/2023**	12/31/2022
Assets from costs to obtain a contract	5,567	5,741
Trade receivables	61,974	37,660
Contract liabilities	126,354	85,158

Contract liabilities relate to tuition fees that are realized as revenue over a certain period. The students can decide in advance whether the semester fees will be charged to them in advance of each month, semester or year. Tuition fees paid in advance are accrued over the corresponding period. In addition, the contractual liabilities contain a revenue deferral for the possibility of a free-of-charge contract extension by the students primarily in distance learning. The measurement is based on a factor calculated by dividing the ratio of ECTS credits earned during the standard period of study by the percentage of revenue recognized at the same time. The factor used is based on the experience of previous periods.

in EUR'000	12/31/2023	12/31/2022
Non-current	54,330	34,809
Current	72,024	50,349
Total	**126,354**	85,158

Of the contract liabilities amounting to EUR 85,158 thousand that existed since the start of the period, an amount of EUR 50,349 thousand was recognized as revenue in financial year 2023.

The revenue recognized in 2023 contains no revenues from performance obligations fulfilled in earlier periods.

Assets from costs to obtain a contract amount to EUR 5,567 thousand (prior year: EUR 5,741 thousand). These result from the Group grants commissions to employees and free agents for student placements. For more information, please refer to note 18.

Performance obligations and methods of revenue recognition

Sales are measured based on the consideration stipulated in a contract with each customer. The Group recognizes revenues when it transfers control over a good or service to a customer. Further information regarding the type and date of the fulfillment of performance obligations from contracts with customers, including the significant payment terms and the associated principles of revenue recognition, is provided in the following table:

Type of service	**Type and date of the fulfillment of performance obligations, including significant payment terms**	**Revenue recognition / Expected timeframe for the collection of the contract liability**
International on-campus course programs	The on-campus courses in Bad Honnef and Berlin encompass bachelor, master and MBA programs. Invoices are issued in accordance with the contractual agreements. The invoices are payable no later than 6 weeks before the term starts for the first semester and 12 weeks before the term starts for subsequent semesters. Invoices are generally issued 7 weeks before they become payable.	Revenue is recognized monthly in the amount of the monthly tuition fees. 1 – 3 years
Dual curriculum	At over 35 educational locations throughout Germany IU Internationale Hochschule offers dual-curriculum (studies that include integrated practical periods at a specific company) bachelor courses covering, i.e. the areas of business & management, marketing & communication, IT & technology, health & social affairs, tourism & hospitality, architecture & construction. Invoices are issued in accordance with the contractual agreements and usually payable within 15 days	Revenue is recognized on a straight-line basis over the standard period of study. 3.5 years

Type of service	Type and date of the fulfillment of performance obligations, including significant payment terms	Revenue recognition / Expected timeframe for the collection of the contract liability
Distance learning	This course offering encompasses bachelor, master and MBA programs in both German and English with over 250 degree programs for a wide range of sectors and areas of responsibility. For online distance learning, programs range from 12 to 72 months. For master programs durations of 12, 24 and 48 months are possible. The costs for the courses increase as the duration increases. Some programs allow students to make use of a free-of-charge extension of up to 12 months in order to conclude their studies. In addition to the monthly tuition fees, a graduation fee is also charged. Because students' past performance is accredited for the exams, price reductions are made to take this into account accordingly. In general, a monthly payment is made that is to be paid by the end of each respective month. For some courses tuition fees are invoiced to students 2 to 4 weeks prior to the commencement of each term.	Income is generally recognized over the standard period of study, with deferred revenues recorded as liabilities and only recognized as revenue once performance obligations are fulfilled. If a program includes any free-of-charge extension period, income is distributed according to past experience regarding the accumulation of ECTS points. For this purpose, a deferral is recognized during the normal study duration and disclosed as deferred income under contract liabilities. The factor used for the calculation of the deferred income is calculated based on historical values according to the time model (program duration). In order to determine the relevant factor for each program duration (e.g. 12, 24, 36 months), consideration is given to students who have already completed their studies, have discontinued their studies and who are using the free-of-charge extension. These factors are then applied to the current student population in order to recognize the deferral that is recognized under the contractual liabilities as a deferred income item. 1 – 7 years
Online training	The program of IU Internationale Hochschule encompasses more than 600 online training offerings and certification courses with a total of more than 25,000 hours of learning for all business management functions as well as central methodological competencies.	Revenue is recognized monthly in the amount of the fees for the online training. 1 year
Canteen	Meals and drinks are sold in the canteens and cafeterias of the institutions for higher education. Payments must be made immediately.	Revenue is recognized when the goods are sold in the canteens.
Professional Education	The UK International division offers bespoke global financial courses in collaboration with corporates and the International Chamber of Commerce. The Corporate &	Revenue from tuition fees and education contracts is recognized over the length of the course being offered. Deferred revenues are recognized as liabilities and only

Type of service	Type and date of the fulfillment of performance obligations, including significant payment terms	Revenue recognition / Expected timeframe for the collection of the contract liability
	Professional Qualifications division in UK delivers training in Retail & Commercial Banking, Financial Advice, and Mortgage Advice, including the CeMAP qualification. Performance obligations are met at registration, ensuring prompt service delivery either immediately or through scheduled sessions. Corporate customers generally have standard 30-day payment terms. However, banks often pay within 40-60 days from the invoice date, and their billing cycle starts from January each year.	recognized as revenue once performance obligations are fulfilled. 2 months – 2 years
Higher Education	In UK the group offers a comprehensive educational suite, including undergraduate and postgraduate degrees such as BSc (Hons) in Banking & Finance and Finance, Investment & Risk, alongside an MSc in Banking & Finance. These programs are predominantly delivered through face-to-face teaching with online components. For individual students' payment is required at the point of registration. Payments from the Student Loan Company are generally received at certain points throughout the year.	Revenue from tuition fees and education contracts is recognized over the length of the course being offered. Deferred revenues are recognized as liabilities and only recognized as revenue once performance obligations are fulfilled. 1 – 6 years
Schools & Outreach	The group provides financial education qualifications for students aged 14-19 in UK, delivered on school premises by specially trained teachers. Assessments for these programs are conducted both online through the LIBF e-test portal (multiple-choice questions) and via paper-based written exams. Schools are invoiced in November/December and usually make payments before the end of December.	Revenue from tuition fees and education contracts is recognized over the length of the course being offered. Deferred revenues are recognized as liabilities and only recognized as revenue once performance obligations are fulfilled. On average 1 year
Leasing (revenue recognition pursuant to IFRS 16 for lessors)	We provide student apartments in the student residences at the locations of our institutions for higher education. The rent payments are settled on a monthly basis.	Revenue is recognized monthly in the amount of the contractual monthly rents. 0.5 – 1 years

7 Other income

in EUR'000	2023	2022
Income from the reversal of provisions as well as the derecognition of liabilities	816	663
Income from disposals of property, plant and equipment	1,020	2
Income from investment property	0	6
Rent income	695	45
Sale of assets	5,558	1,454
Dunning Fee	200	402
Damage compensation	1,990	605
Refund Projects	882	1,048
Semester ticket & Student Union	5,787	0
Benefit in kind (for employees)	1,337	482
Income from deconsolidation	836	0
Miscellaneous other income	10,648	8,743
- of which capitalized own work – course programs	*4,965*	*5,038*
- of which capitalized own work – software/website	*4,806*	*3,134*
- of which other income	*877*	*571*
Total	**29,769**	13,449

In 2023, other income from the sale of assets included EUR 5,558 thousand (previous year: EUR 1,454 thousand) from the resale of electronic hardware to business customers, which is not part of ordinary business activities.

The income of semester tickets was only booked on balance sheet accounts in prior years because of immaterial amounts. If it had been booked through profit and loss other income would have been higher by EUR 3,557 thousand in prior year figures.

Other income increased primarily due to the sale of assets and the provision of semester tickets to students (see also Note 10 Other expenses).

8 Cost of materials

The cost of materials for the financial year 2023 primarily contains course materials such as scripts, books and training materials as well as expenses for catering. Furthermore, the cost of purchased services primarily contains remuneration for guest lecturers.

in EUR'000	2023	2022
Cost of purchased goods, teaching materials and commissions	3,514	6,549
Cost of purchased services	24,388	16,296

in EUR'000	2023	2022
Total	**27,902**	22,845

The cost of purchased goods decreased by EUR 3,035 thousand. The cost of purchased services increased by EUR 8,092 thousand primarily due to the need for additional lecturers. This evolution is in line with the increased number of students.

9 Personnel expenses

Personnel expenses for the financial year 2023 primarily contain employee salaries.

in EUR'000	2023	2022
Wages and salaries	199,911	141,375
Social security and pension benefits	39,703	28,188
Total	**239,614**	169,563

Personnel expenses increased primarily due to the increase in the number of employees by 1,039 (see note 32).

10 Amortization/depreciation

in EUR'000	2023	2022
Of intangible fixed assets and property, plant and equipment	35,840	28,698
Depreciation of right-of-use assets and investment property	14,835	10,200
Amortization of assets from costs to obtain a contract	6,398	4,485
Total	**57,073**	43,383

The increase in amortization/depreciation of intangible fixed assets and property, plant and equipment mainly stems from the amortization of course development costs and self-generated software as well as depreciation for tablets. For more information on amortization and depreciation, please refer to notes 15, 16 and 18.

11 Other expenses

in EUR'000	2023	2022
Losses from disposal of fixed assets	1,475	365
Other Taxes	1,564	926
Licenses and concessions	15,876	7,714
Telecommunications and IT expenses	3,091	6,831

in EUR'000	2023	2022
Occupancy costs	16,955	11,752
Auditing and consultancy expenses	16,309	16,020
Advertising expenses	76,747	64,933
Travel expenses	4,307	1,899
Other personnel related expenses	19,408	20,320
Semester ticket	5,241	0
Commercial trade expenses	4,886	0
Miscellaneous other expenses	6,822	4,850
Total	**172,681**	135,611

Until 2022 some software licenses were recorded under telecommunications and IT expenses. As from 2023 they are recorded under licenses and concessions. This explains part of the increase in licenses and concessions. Moreover, as the Group grows the need in software licenses grows accordingly.

Due to the Group's goal of enlisting more students, the Group has invested in several marketing campaigns, which is the main reason for the increase in advertising expenses. Additionally, the occupancy costs have increased due to the growth of the Group.

The other personnel-related expenses primarily contain the external staff, the freelancers and the job advertisement.

The other expenses also contain costs for purchasing semester tickets for students which are charged to students and which were booked through balance sheet accounts only in prior years because of immaterial amounts. If it has been booked through profit and loss other expenses would have been higher by EUR 3,592 thousand in prior year figures (see also Note 7).

In 2023, other expenses included EUR 4,886 thousand (previous year: EUR 0 thousand) under commercial trade expenses related to the costs associated with the resale of electronic hardware to business customers (see note 7).

The miscellaneous other expenses primarily contain postage and office costs, insurance policies and premiums, vehicle costs and bank fees.

Expenses for research and development amounting to EUR 314 thousand (prior year: EUR 767 thousand) have been incurred.

12 Net financial income/loss

in EUR'000	2023	2022
Other interest and similar income	1,334	9,846
Interest and similar expenses	-52,798	-32,071
Interest expenses pursuant to IFRS 16	-6,348	-4,216
Total	**-57,812**	-26,441

Other interest and similar income contain income from currency translation amounting to EUR 866 thousand (prior year: EUR 144 thousand).

Interest and similar expenses primarily result from the loan taken with a third party. Because the loaned amount has increased, interest and similar expenses have increased compared to the prior year as well. Also, the general rise in interest rates is responsible for the increase. For more information, please refer to *note 27. This item also contains expenses from currency translation amounting to* EUR 772 thousand (prior year: EUR 185 thousand).

13 Income taxes

The anticipated income tax rate for the IU Group is determined by applying the relevant tax rate for the *group parent company of 32.98%. This consists of the corporation tax of* 15.0% plus the solidarity surcharge of 5.5% on the corporation tax as well as a trade tax amounting to 17.15%.

The statement of profit or loss contains the following taxes:

in EUR'000	2023	2022
Current taxes	-4,152	-104
Deferred taxes for temporary differences	-6,128	-6,197
Deferred taxes for loss carryforwards	-2,305	-6,433
Total	**-12,586**	-12,734

The following overview shows the reconciliation of the anticipated tax rate of 32.98% (prior year: 32.98%) with the effective tax rate of -51.24% (prior year: -2,433.20%):

in EUR'000	2023	2022
Profit before taxes	-24,564	-523
Anticipated income taxes (32.98%)	8,101	173
Adjustment to the anticipated tax expense		
Non-refundable withholding tax	-198	-104
Income exempt from trade tax and other income taxes	9,830	6,520
Non-deductible expenses	-14,089	-16,418
Taxes from prior years	-87	-2,635

in EUR'000	2023	2022
Share-based payment without income taxes	-4,415	-2,071
Impairment losses not recognized for tax accounting requirements	-293	1,799
Forfeiture of Tax Losses	-11,370	0
Other effects	-65	2
Income tax expense/income according to statement of comprehensive income	**-12,586**	-12,734
Group tax rate as %	**-51.24%**	-2,433.20%

The revenues and income of material significance within the Group are generated by IU Internationale Hochschule GmbH. IU Internationale Hochschule is exempted from trade tax pursuant to Section 3 No. 13 of the German Trade Tax Act (Gewerbesteuergesetz – GewStG) because it provides services almost exclusively as a state-recognized private institution of higher education. The tax effect that results from this can be ascertained from the tax reconciliation (EUR 10,337 thousand).

The non-deductible expenses consist of non-deductible interest expenses resulting in a tax effect of EUR 11,751 thousand and unrecognized losses for tax purposes of the current year leading to a tax effect of EUR 2,317 thousand.

Due to an event leading to a forfeiture of tax loss carry forwards in trade tax and corporate tax according to section 8c of German Corporate Tax Act (Körperschaftsteuergesetz) losses and profits within the German Tax Group cannot be fully offset against each other. The amount of losses which cannot be deducted is EUR 34,475 thousand leading to a tax effect of EUR 11,370 thousand.

The deferred taxes for temporary differences and tax loss carryforwards recognized at a tax rate of approximately 17.15% developed as follows during the financial year:

	Deferred tax assets	Deferred tax liabilities	Net as at	Recognized in profit or loss	Acqui-sitions	Net as at	Deferred tax assets	Deferred tax liabilities
in EUR 000		12/31/2022					12/31/2023	
Property, plant and equipment	0	12,784	-12,784	-2 080		-14,864	0	14 864
Intangible assets	0	19,737	-19,737	-372	-15 406	-35 516	0	35 516
Other financial liabilities	14,193	0	14,193	2,498		16,691	16,691	0
Employee benefits	163	0	163	-158		4	4	0
Contract liabilities	0	12 380	-12 380	-5,977		-18,357	0	18,357
Other items	0	343	-343	-39		-382	0	382
Tax loss carryforwards	2,305	0	2,305	-2,305		0	0	0
Tax claims (liabilities)	16 661	45,244	-28 583	-8 433	-15,406	-52,424	16 695	69,119
Netting net tax assets/liabilities	-16,661	-16,661					-16 695	-16,695
Total after netting	0	28 583	-28 583	-8 433	-15,406	-52,424	0	52,424

As at December 31, 2023, and in the prior year, no income taxes were recognized through other comprehensive income.

Deferred tax assets for loss carryforwards are only recognized with consideration for minimum taxation to the extent that it is expected that they can be offset against actual taxable income.

As at December 31, 2023, no deferred taxes were recognized for the following items:

in EUR'000	2023	2022
Temporary differences	282	309
Trade Tax loss carryforwards	0	97,065
Corporate Tax loss carryforwards	8,641	49,108
Interest carryforwards	35,632	73,587

In 2023 change of ultimate shareholding caused the forfeiture of the majority of trade and corporate tax loss carry forwards according to section 8c of German Corporate Tax Act (Körperschaftsteuergesetz) in the German Tax Group.

For taxable temporary differences in connection with shares in subsidiaries amounting to EUR 15,062 thousand (prior year: EUR 13,181 thousand), no deferred taxes were recognized as at December 31, 2023, because IU Group N.V. can manage the timing of the reversal and the differences will not be reversed in the foreseeable future.

14 Goodwill

The carrying amount of goodwill as at the reporting date is shown in the following table:

in EUR'000	12/31/2023	12/31/2022
B2C		82,192
B2C DACH Core	77,214	
B2C DACH Other	2,155	
B2C International	26,317	
On Campus	35.907	
B2B		33,084
Total	141,593	115,276

Starting with December 1, 2023, the management of the IU Group has changed its internal reporting structure and divided its operating segments from two into four operating segments. This change was mainly driven by the acquisitions of 2023 and facilitates detailed performance measurement and aligns resources more closely with the strategic needs of each segment, supporting better transparency and enabling more effective alignment with evolving corporate goals and leadership structures. The former B2C segment was divided into B2C DACH Core. B2C DACH Other and B2C International. The new segment On Campus now includes the former B2B segment and additionally, the business unit MyStudium DACH (previously in B2C). The goodwill resulting from the company acquisition of Career Partner GmbH in the financial year 2018 is allocated to three operating segments on a relative basis using the value in use. The goodwill arising from the business combinations of The London Institute of Banking and Finance (LIBF) and UC Education Inc.

dba University of Fredericton (UFRED) in the financial year 2023 was allocated to the international business unit, which is now shown in B2C International, with EUR 7,234 thousand from LIBF and EUR 19,083 thousand from UFred, thereof changes from currency translations amounting to EUR 119 thousand and EUR 69 thousand respectively. There were no changes in goodwill in the previous year, so the ending balance as of December 31, 2022, was the same as the opening balance.

The recoverable amount of the CGUs respectively the group of CGUs is based on the value-in-use, which is estimated using discounted cash flows. The key assumptions that have been used to estimate the recoverable amount are described below. The values assigned to the key assumptions reflect the assessment of the management regarding future developments in the relevant sectors and are based on historical values from external and internal sources. There were no changes in previous year figures.

in percentage	**2023**	2022
B2C		
Discount rate		10.50
Sustainable growth rate		1.00
Average planned EBIT growth rate in the detailed planning period		60
B2C DACH Core		
Discount rate	8.60	
Sustainable growth rate	1.00	
Annual average planned EBIT growth rate in the detailed planning period	58	
B2C DACH Other		
Discount rate	8.60	
Sustainable growth rate	1.00	
Annual average planned EBIT growth rate in the detailed planning period	109	
B2C International		
Discount rate	8.60	
Sustainable growth rate	1.00	
Annual average planned EBIT growth rate in the detailed planning period	n/a*	
On Campus		
Discount rate	8.60	
Sustainable growth rate	1.00	
Annual average planned EBIT growth rate in the detailed planning period	127	
B2B		

in percentage	2023	2022
Discount rate		10.50
Sustainable growth rate		1.00
Annual average planned EBIT growth rate in the detailed planning period		96

* Note: Calculation of growth using the Compound Annual Growth Rate (CAGR) is not possible for this period due to the transition from a negative starting value to a positive ending value. EBIT is planned to increase from approximately EUR -18,200 thousand in 2023 to EUR 16,000 thousand in 2026.

The discount rate presented in the table above constitutes an after-tax figure, which has been estimated based on the industry's historical average capital costs at a debt ratio of 11.9% (prior year: both CGUs: 10.5%) and a market risk premium of 6.75% (prior year: both CGUs: 7.75%). The pre-tax discount rate amounts to 9.96% (B2C DACH Core), 9.91% (B2C DACH Other), 9.62% (B2C International) and 9.93 % (On Campus) (prior year: 11.42% (B2C) and 11.33%).

The cash flow forecasts contained specific estimates for the three years 2024 to 2026 and a perpetual growth rate thereafter. The sustainable growth rate was determined based on the management's estimate regarding the long-term average annual EBIT growth rates, which matches the assumption that a market participant would make.

Planned EBIT was determined based on bottom-up planning for each CGU (B2C DACH Core, B2C DACH Other, B2C International and On Campus) with consideration of the historical growth rates for student numbers.

The respective recoverable amounts of the CGUs respectively group of CGUs exceed their carrying amounts. No impairment of goodwill was therefore necessary.

15 Intangible assets

The carrying amounts of other intangible assets as at the reporting date are shown in the following table:

in EUR'000	**Capitalized development costs**	**Software**	**Licenses**	**Brand names**	**Accredita-tions**	**Course program content**	**Student base**	Total
Cost								
As at 1/1/2022	30,064	14,030	1.306	32.700	26 200	2 900	19 600	126 800
Additions	24 514	4 231	343	0	0	0	0	**29,088**
Disposals	*825*	*0*	11	*0*	*0*	*0*	*0*	***836***
As at 12/31/2022	53 753	18,261	1,638	32 700	26 200	2 900	19 600	155 052
Currency translation	0	0	0	21	276	3	30	330
Addition to *consolidation* group	*0*	*0*	*0*	*2.065*	*54.737*	947	*3 929*	*61 678*
Additions	17 792	7,637	153	0	0	0	0	25 582
Disposals	184	0	0	0	0	0	0	184
As at *12/31/2023*	71 361	25 898	1 791	34 786	82 213	3 850	23 559	242 458
Accumulated amortization/ depreciation and impairments								
As at 1/1/2022	7 705	7 265	783	0	0	2 320	15.680	**33,753**

in EUR'000	Capitalized development costs	Software	Licenses	Brand names	Accredita-tions	Course program content	Student base	Total
Amortization/ depreciation expenses	6,110	4,286	208	0	0	580	3 920	**15,105**
Disposals	0	0	1	0	0	0	0	**1**
As at 12/31/2022	13,815	11,551	990	0	0	2,900	19,600	**48,856**
Currency translation	1	0	0	0	0	0	1	2
Amortization/ depreciation expenses	8.566	8,300	202	168	0	0	564	17,800
Disposals	0	0	0	0	0	0	0	0
As at 12/31/2023	22.382	19.851	1 192	168	0	2.900	20,165	66,658
Net asset value as at 12/31/2022	**39,938**	**6,710**	**648**	**32,700**	**26,200**	**0**	**0**	106,196
Net asset value as at 12/31/2023	**48,979**	**6,047**	**599**	**34,618**	**81,213**	**0**	**3,394**	175.800

The capitalized development costs relate to expenses for the development of courses and study programs as well as the development of websites. These capitalized development costs include investments in course development amounting to EUR 7,879 thousand (prior year: EUR 7,944 thousand) and investments in study programs development amounting to EUR 946 thousand (prior year: EUR 413 thousand). Intangible assets under construction amount to EUR 17,714 thousand (prior year: EUR 13,682 thousand).

In contrast to the brand "IU", the brands of LIBF and UFRED have a finite useful life (LIBF: 16 and 18 years; UFRED: 5 years).

Impairments during the financial year

No impairments were made during the financial year under review.

Impairment test

The brand "IU" (former: "IUBH") and "Akkreditierungen" of the institutions of higher education are attributable to four CGUs, "B2C DACH Core", "B2C DACH Other", "B2C International", and "On Campus". For the brand "IU" and "Akkreditierungen" of the institutions, the assessment of the recoverability was carried out as part of the impairment test for goodwill because they constitute intangible assets with indefinite useful lives that are all attributed to the same CGUs. The carrying amounts of the brand "IU" and "Akkreditierungen" as at the reporting date are shown in the following tables:

Brand "IU"

in EUR'000	**12/31/2023**	12/31/2022
B2C		23,315
B2C DACH Core	21,903	
B2C Other	611	
B2C International	0	
On Campus	10,186	
B2B		9,385

Total	**32,700**	32,700

"Akkreditierungen"

in EUR'000	**12/31/2023**	12/31/2022
B2C		18,681
B2C DACH Core	17,549	
B2C Other	490	
B2C International	55,013	
On Campus	8,161	
B2B		7,519
Total	**81,213**	26,200

For "Akkreditierungen", the additions to B2C International in 2023 result from the business combination of The London Institute of Banking and Finance (LIBF) and UC Education Inc. dba University of Fredericton (UFRED) with EUR 6,070 *thousand and* EUR 48,943 *thousand respectively.*

The impairment test did not result in any need for impairments for the financial year 2023.

16 Property, plant and equipment

Property, plant and equipment consists of operating and office equipment as well as right-of-use assets for buildings, cars and operating and office equipment.

The carrying amounts of other tangible assets as at the reporting date are shown in the following table:

in EUR'000	**Land and buildings**	**Right-of-use assets of buildings**	**Cars**	**Right-of-use assets of cars**	**Library equipment**	**IT equip-ment**	**Office equipment**	***Right-of-*use assets of office equipment**	Total
Cost									
As at 1/1/2022	0	66 208	44	912	1.359	34 287	6 184	2.085	**111,078**
Additions	0	33 977	1	483	696	20 910	3 274	33	59 374
Disposals	*0*	*224*	*24*	*12*	*0*	*1 369*	*4*	*0*	*1 633*
As at 12/31/2022	0	99 960	21	1 382	2 055	53.829	9 454	2 118	168 820
Currency translation	38	58	0	0	0	4	2	1	103
Additions to consolidation group	2 268	3 472	0	0	0	264	153	60	6.217
Additions	154	28 538	0	497	523	20 451	3 068	0	53.231
Disposals	0	38	32	20	0	8 633	86	0	8 809

in EUR'000	Land and buildings	Right-of-use assets of buildings	Cars	Right-of-use assets of cars	Library equipment	IT equip-ment	Office equipment	Right-of-use assets of office equipment	Total
As at 12/31/2023	2,460	131 990	-11	1,860	2,578	65,915	12,591	2,179	219,562
Accumulated amortization/ depreciation and impairments									
As at 1/1/2022	0	19,205	20	521	714	16,127	2,203	831	**39,621**
Amortization/ depreciation expenses	0	9 493	9	287	391	12,334	859	422	23,796
Disposals	0	0	24	0	0	816	0	0	840
As at 12/31/2022		28,698	5	807	1,106	27,645	3,062	1,253	62,577
Currency translation	0	1	0	0	0	0	0	0	1
Amortization/ depreciation expenses	49	14,042	8	369	495	16,258	1,228	424	32,873
Disposals	0	0	28	18	0	5,062	39	0	5,147
As at 12/31/2023	49	42,741	-15	1 159	1 601	38 841	4 251	1,677	90,304
Net asset value as at 12/31/2022	**0**	**71,262**	**17**	**575**	**949**	**26,184**	**6,392**	**864**	106,243
Net asset value as at 12/31/2023	**2,411**	**89,249**	**4**	**701**	**977**	**27,074**	**8,340**	**502**	129,258

Impairments during the financial year

No impairments were made during the financial year under review.

17 Investment property

As part of its primary operating activities, IU Group leases real estate as a lessee. The part of the real estate used by IU Group is disclosed in the statement of financial position under property, plant and equipment while the sub-leased part of the real estate is disclosed under right-of-use assets relating to real estate held as investment property. These include right-of-use assets of IU Group for real estate that is sub-leased to third parties as part of operating leasing because the risks and opportunities associated with the right-of-use assets are not all generally transferred here. Each of the leases initially comprises a non-cancellable period. Subsequent extensions are negotiated with the lessee. Investment property cannot be resold. IU Group maintains the real estate throughout the contractual term in accordance with normal operational practices.

Rental income amounting to EUR 0 thousand that was recognized within the Group (prior year: EUR 6 thousand) during the financial year is recorded under the other operating income. Direct operating expenses from the right-of-use assets relating to real estate amounting to EUR 0 thousand (prior year: EUR 0 thousand) are contained in the other operating expenses.

in EUR'000	2023	2022
Income from investment property	0	6
Direct operating expenses from investment property	0	0

The right-of-use assets relating to real estate held as investment property undergo straight-line depreciation over the term of the right-of-use asset.

	Useful life in years
Right-of-use asset – investment property	1 – 6 years

The right-of-use assets relating to investment property developed as follows:

in EUR'000	2023	2022
Gross carrying amount as at 1/1	62	86
Additions	0	0
Disposals	62	17
Depreciation	0	7
Gross carrying amount as at 12/31	**0**	**62**
Fair value at the start of the period	84	105
Fair Value as at 12/31	**0**	**84**

18 Assets from costs to obtain a contract and other non-current assets

The Group grants commission to employees and free agents for student placements. The capitalized costs to obtain a contract with a customer have been recognized in the amount of the directly attributable sales commissions. For these assets from costs to obtain a contract, straight-line amortization is recognized over the term (between 1 and 6 years) of the relevant contracts.

The assets from costs to obtain a contract were amortized as follows:

in EUR'000	2023	2022
Costs capitalized on December 31 from costs to obtain a contract	21,546	15,322
Amortization of the capitalized costs	15,979	9,582
Total	**5,567**	**5,741**

Other non-current assets contain security deposits for leases and finance lease receivables as well as a non-pledged reinsurance policy.

in EUR'000	12/31/2023	12/31/2022
– of which financial instruments:	*9,320*	*8,926*
Lease security deposits	6,938	5,720
Finance lease receivables	2,390	2,091
Pension plan receivables	-7	0

in EUR'000	**12/31/2023**	12/31/2022
Interest cap	0	1,114
– of which not financial instruments	*144*	*144*
Reinsurance	143	143
Other	1	1
Total	**9,464**	9,070

Impairments

The interest cap amounting to EUR 1,114 thousand was impaired by EUR 1,114 thousand to EUR 0,00 as its fair value is zero. This impairment was recorded in the finance expenses.

19 Inventories

in EUR'000	**12/31/2023**	12/31/2022
Inventories	39	56
Total	**39**	56

Inventories include teaching materials and software licenses acquired for resale to students. The reduction in inventory is mainly due to these sales.

Impairments during the financial year

Inventory-Adjustments of EUR 1 thousand (prior year: EUR 0 thousand) are recognized due to annual inventory.

20 Trade receivables

in EUR'000	**12/31/2023**	12/31/2022
Trade receivables	74,300	48,489
Impairments	-12,326	-10,829
Total	**61,974**	37,660

The increase in loss allowances is primarily attributable to the increase in the gross carrying amount of the trade receivables.

The trade receivables include accrued revenue of EUR 23,884 thousand (prior year: EUR 15,731 thousand) which has been earned but the invoice has not been issued before the period end.

Impairments of trade receivables exist exclusively in relation to customers. The impairments therefore relate exclusively to receivables from contracts with customers. For their development, see note 30.

The loss allowances relating to the trade receivables as at December 31, 2023, were determined as follows:

in EUR'000	Not payable	Dunning level 1	Dunning level 2	Dunning level 3	Debt collection	**Total**
Expected loss ratio	2%	7%	13%	22%	60%	
Gross carrying amount of trade receivables	41,345	7,322	6,121	3,815	15,697	74,300
Loss allowance	760	513	796	839	9,418	12,326

The loss allowances relating to the trade receivables as at December 31, 2022, were determined as follows:

in EUR'000	Not payable	Dunning level 1	Dunning level 2	Dunning level 3	Debt collection	Total
Expected loss ratio	2%	6%	12%	24%	65%	
Gross carrying amount of trade receivables	21,968	6,410	3,054	2,817	14,240	48,489
Loss allowance	146	385	366	676	9,256	10,829

Loss allowances for the trade receivables are determined based on the number of payment reminders sent to students. Dunning level 1 contains trade receivables that are overdue by a maximum of 30 days. Dunning level 2 contains receivables that are overdue by a maximum of 60 days. Receivables that are overdue by a maximum of 90 days are allocated to dunning level 3. After this point, the receivables are transferred to a debt collection company.

The Group assumes that the risk of a financial asset defaulting significantly increases if it is more than 30 days overdue.

Compared to the prior year, the respective loss ratios have been updated in order to appropriately represent the actual fulfillment of trade receivables.

21 Other current receivables and assets

in EUR'000	**12/31/2023**	12/31/2022
Other assets	3,557	2,605
- of which financial instruments	2,632	1,896
- of which not financial instruments	925	710
Prepaid expense	6,497	4,732
Finance lease receivables	526	352
Total	10,580	7,690

Other assets primarily contain receivables from prepayments amounting to EUR 697 thousand (prior year: EUR 267 thousand) and personnel receivables amounting to EUR 259 thousand (prior year: EUR 176 thousand). No impairment items exist here.

Prepaid expenses and deferred costs contain, among others, expenses for expensed software licenses (EUR 3,022 thousand; previous year: EUR 3,054 thousand), for consulting fees (EUR 402 thousand; previous year: EUR 4 thousand), for digital performance marketing (EUR 395 thousand; previous year: EUR 381 thousand)), for student train ticket (EUR 361 thousand; previous year: EUR 14 thousand), for other rental (EUR 336 thousand; previous year: EUR 4 thousand). These expenses will be reversed after the reporting date in accordance with the contractual term.

Impairments during the financial year

No impairments were necessary during the financial year under review.

22 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include both cash balances and bank balances. The cash as at the end of the year, as it is represented in the consolidated statement of cash flows, can be reconciled with the associated items of the consolidated statement of financial position as follows:

in EUR'000	**12/31/2023**	12/31/2022
Bank balances	34,011	16,666
Cash balances	4	4
Total	**34,015**	16,670

23 Share-based payment arrangements

Description of the share-based payment plan (staff share program)

In the context of the roll-over transaction of IU Group N.V. (see note 24), employees of the IU Group were granted shares in a management holding company on June 16, 2023, meaning that they have been given an indirect participation in IU Group N.V. As consideration for the sale of shares, the employees paid a purchase price that was determined based on the Oakley Funds valuation in accordance with the multiplier method. Within the context of the annual financial statements, a fair value above this amount was determined based on a Black-Scholes-Merton model in accordance with IFRS 2 principles. As at 12/31/2023, the participants in this program hold 100% of the shares of the management holding company Guinness Co-Investment III GmbH & Co. KG and of the management holding company Guinness Co-Investment IV GmbH & Co. KG. Guinness Co-Investment III GmbH & Co. KG holds 0.15% (key management: 0.083%), Guinness Co-Investment IV GmbH & Co. KG holds 0.001% (key management: 0.0005%) of the shares in Oakley Capital Guinness HoldCo S.à r.l..

The issued shares include different classes of shares:

- Ordinary shares: In the event of distributions or liquidation distributions, ordinary shares are treated as subordinate following the payment of expenses, the repayment of loans with accrued interest and the remuneration for preference shares (see below). The holders of ordinary shares have a right to vote at the shareholders' meeting.
- Preference shares: The preference shares receive advance remuneration of 10% (cumulative) for invested capital, although the holders of these shares do not receive a right to vote.

- Ratchet shares: Subscribers of ratchet shares participate in case of an exit only if a rate of return of 2.5x is reached. X equals the original investment amount of the investor. Payout of ratchet shares equals 2.5% of the value above 2.5X, 5% above 3.0X, 7.5% above 3.5X and 10% above 4X. If a participant leaves the group, he will receive the lower of the original investment amount and the fair market value at the time of departure.

Employees have bought various packages with different compositions of ordinary and ratchet shares. According to the requirements of the plan, an employee must remain within the Group for a minimum duration spanning five years in order to participate fully in any increase in value of the shares granted. If the employee leaves the Group early, the majority shareholder has the right to reacquire the granted ratchet shares at nominal value or at their lower fair value. Ordinary shares are vesting with 10% per 6 months. The majority shareholder has the right to acquire ordinary shares of an employee leaving early at nominal value or at their lower fair value for unvested shares and at fair market value for vested shares if the employee is considered a good leaver.

If, before this minimum duration expires, the majority of the shares are sold or IU Group N.V. undergoes an initial public offering ("exit"), this condition no longer applies. The management of IU Group N.V. believes that a sale is probable. In the event of an early sale of the Company or of one or more of the Group companies, tag-along rights and drag-along rights exist that provide the investor with the option of obliging the managers to sell their shares with the same conditions and, respectively, that provide the managers with the option of obliging the investor to sell its shares with the same conditions.

IU Group N.V. is not affected by any settlement obligation from the staff share program, meaning that the share-based payment plan corresponds to settlement through equity instruments.

In the financial year 2023, period expenditure from share-based payment arrangements with settlement through equity instruments amounting to EUR 13,388 thousand was recognized (prior year: EUR 6,280 thousand).

Shares from the management equity plan from the 2018 transaction structured in the holding company CPG Co-Investment I GmbH & Co. KG have been rolled over with the same investment conditions of external investors, thus no impact on IFRS 2 was generated. The difference between the purchase price and the fair market value of the 2018 management equity plan has been recognized over the period from 2018 to 2022.

Determining the fair value of the program

The fair value of the newly granted benefits in the financial year 2023 (difference between the fair value of the shares less purchase price) amounts to EUR 73,668 thousand Fair value is determined on the basis of a Black-Scholes-Merton model under which all claims against the assets of the Group (interest-bearing liabilities, ordinary and preference shares) can be modeled as combinations of (call and put) options and bonds.

Fair value was determined assuming the following material parameters:

- Expected volatility: 40%;
- Expected term: 3.0 years;
- Expected dividends: 0%;
- Risk-free interest rate (based on government bonds): 2.58%

The expected volatility is based on an analysis of the historical volatility of share prices of a group of comparable listed companies. The expected term is based on previous holding periods of the investor after a partial sale in the secondary market and a management estimate. Difference between the fair market value derived from a Monte Carlo Simulation and the purchase price is spread evenly over a period of three years.

24 Equity

In March 2023 a sales and purchase agreement was signed in order to transfer all the shares held by Oakley CP Holdings Ltd, by CPG Co-Investment I GmbH & Co. KG and by CPG Co-Investment II GmbH & Co. KG to Oakley Capital Guinness Bidco S.à.r.l. with effective date 16 June 2023. After the closing all the series C shares have been converted to series A shares.

Oakley Capital Guinness Bidco S.à.r.l. is held for 100% by Oakley Capital Guinness Midco S.à.r.l. which in turn is 100% owned by Oakley Capital Guiness Holdco S.à.r.l.. The three of them have their head offices in Luxembourg.

In June 2023 there also have been two capital increases approved by extraordinary meetings of shareholders. The first capital increase concerned 349,875 new shares (series A shares), which were acquired by Oakley Capital Guinness Bidco S.à.r.l.. These 349,875 new shares have a nominal value of EUR 1.00 each and were issued at a total issue price of EUR 32,437 Mio, including an issue premium of EUR 32,087 Mio, so that the issue price per share is EUR 92.71. The second capital increase concerned 238,292 new shares (series A shares), which were acquired by Oakley Capital Guinness Bidco S.à.r.l.. These 238,292 new shares have a nominal value of EUR 1.00 each and were issued at a total issue price of EUR 22,092 Mio, including an issue premium of EUR 21,854 Mio, so that the issue price per share is EUR 92.71.

As at 12/31/2023, there was an increase in the capital reserve of EUR 13,388 thousand (prior year: EUR 6,231 thousand) relating to the share-based payment programs.

The net loss from financial year 2023 amounting to EUR 37,150 thousand is, similarly to the net loss from financial year 2022 of EUR 13,257 thousand, recognized in net retained loss. The other comprehensive income from the remeasurement of pension obligations amounting to EUR -7,043 thousand (prior year: EUR 429 thousand) is recognized within the net retained loss.. The developments are presented in the statement of changes in equity.

At the end of financial year 2023 the capital consisted of 15,342 thousand shares (previous year: 14,754 thousand shares) of which 13,161 thousand shares (previous year 13,161 thousand shares) were in the hands of IU Group N.V. This means 2,181 thousand shares (previous year: 1,593 thousand shares) were held by external shareholders.

The fully paid up interests have the following composition:

	Number (equates in EUR'000) 01/01/2023	Conversion of Series C shares in Series A shares	Issue of shares	Number (equates in EUR'000) 12/31/2023
Ordinary shares ("Series A shares")	192	152	588	932
Preference shares ("Series B shares")	1,250	0	0	1,250
Preference shares ("Series C shares")	152	-152	0	0
Total	**1,593**	**0**	**588**	**2,181**
Shares directly held in issued capital				
Oakley CP Holdings Ltd.	9.44%			0.00%
CPG Co-Investment I GmbH & Co. KG	81.05%			0.00%
CPG Co-Investment II GmbH & Co. KG	9.51%			0.00%

	Number (equates in EUR'000) 01/01/2023	Conversion of Series C shares in Series A shares	Issue of shares	Number (equates in EUR'000) 12/31/2023
Oakley Capital Guinness Bidco S.à.r.l.	0.00%			100.00%

The holders of Series A Shares (in prior years: holders of Series C shares as well) are authorized to vote at the Annual General Meeting, a representative of the indirect beneficiaries of the securities (usually the CEO) has the right to nominate candidates for a supervisory board mandate, and the holders of Series C shares have a preference right over the holders of Series A shares and the holders of Series B shares to a dividend distribution and a liquidation preference in the event of liquidation.

The holders of the Series B shares receive a preference dividend amounting to 10% p.a. of the total contribution they have made for the respective interests (Series B preference dividend). The total contribution includes both the amount that was paid in as the initial contribution (i.e. the nominal value of the respective interest) and the other additional payments made based on shareholders' resolutions into the capital reserves of the Company but not, however, shareholder loans. The basis for all dividends is a shareholders' resolution and a distribution is only made if a profit has been generated.

Any profit that remains after the payment of Series B preference dividends (prior years: and of Series C dividends) is to be paid out to the holders of Series A shares proportionately to the nominal amounts of the Series A shares held. Beyond the payment of the preference dividend, the preference shares do not result in any right to participation in the profit of the Company.

25 Lease liabilities

The Group leases buildings, cars and other assets (printers, copy machines etc.). Due to the application of IFRS 16 in the financial year 2023, these were recognized as right-of-use assets and the resulting lease liabilities were also disclosed.

	Minimum Lease Payments		**Carrying amount**	
in EUR'000	**12/31/2023**	12/31/2022	**12/31/2023**	12/31/2022
Within one year	22,016	16,745	14,975	10,076
One to five years	72,102	53,123	52,783	40,817
More than five years	39,421	34,718	34,341	30,869
Total	133,539	104,586	102,099	81,762

in EUR'000	**12/31/2023**	12/31/2022
Disclosed in the consolidated financial statements as		
Current liabilities	14,975	10,076
Non-current liabilities	87,124	71,686
Total	102,099	81,762

Lease liabilities developed as follows:

in EUR'000	**12/31/2023**	12/31/2022
Lease liabilities as at 1/1	81,762	56,865
Cash changes		
- *Repayment of lease liabilities*	-12,671	-9,285
- *Interest payments for lease liabilities*	-6,348	-4,216
Non-cash changes	39,356	38,398
Lease liabilities as at 12/31	**102,099**	81,762

The non-cash changes result primarily from the newly concluded leases as well as compounding effects, thereof, additions to consolidation group of EUR 3,531 thousand. See note 27 regarding the reconciliation table for financial liabilities.

26 Pension provisions

The Group has defined contribution plans in Canada, Germany and United Kingdom, as well as defined benefit plans in Germany and United Kingdom.

Defined contribution plans

In Germany the Group makes payments into an external pension fund or another welfare fund through a statutory, contractual or voluntary model. The company has no obligation to provide further benefits once it has made these payments, so no provisions are recognized. Expenses for defined contribution plans in the amount of EUR 1,446 thousand were recognized in the financial year (previous year: EUR 173 thousand).

In Canada the Group provides a defined contribution money purchase pension plan for eligible employees. The amount of the member's benefit is not determined until the time the benefit is provided. The Company's responsibility is limited to a matching contribution to a maximum of 4% of gross pay of the employee and upon retirement the Company has no further responsibility to the plan. Expenses recognized in the financial year were EUR 35 thousand.

In United Kingdom the Group provides a money purchase (defined contribution) pension scheme for employees which are invested separately in an independently administered fund. Expenses were recognized in the financial year of EUR 785 thousand.

Defined benefit plans

The pension obligation for Germany is relating to a former employee and contain the following legal agreements:

The pension payment, totaling 38% of the 2.2 times the annual salary based on pay scale group 6 of the Private Banking Sector's Collective Pay Agreement, increases by 2% for the first ten years post-1996 employment, then by 1% per year to a maximum of 75% of the base. It is disbursed in monthly increments, adjusting based on changes to the measurement basis and supplementary pension incomes.

The employee departed the subsidiary on 9/30/2012.

The pension obligation for United Kingdom is relating to 107 employees and contains the following legal agreements:

The acquired benefit entitlements are financed by the employer and employees through a trustee fund. Employees who are considered as members of the trustee funds pay contributions at 5 per cent of their pensionable salary. The employer pays the contributions according to the development of the fund and advice through the actuary.

A lump sum death benefit will be paid by the fund when a member dies within five years, before reaching normal retirement date or after reaching retirement date but before starting to receive a pension.

The development of provisions for pensions within the Group is as follows:

in EUR'000	12/31/2023	12/31/2022
Net defined benefit liability	832	841

in EUR'000	2023 Germany	2023 United Kingdom*	2023 Total	2022
Present value of defined obligations as of 1/1	841	0	841	1,304
Additions to consolidation group	0	34,478	34,478	0
Exchange rate changes	0	576	576	0
Benefits paid	-47	-1,374	-1,421	-46
Interest expense	29	1,230	1.259	12
Gains and losses from the revaluation:	8	313	321	-429
- of which actuarial gains/losses from change in financial assumptions	-34	163	129	-416
- of which actuarial gains/losses from change in demographic assumptions	0	0	0	0
- of which actuarial gains/losses from adjustments based on experience	42	150	192	-13
Present value of defined benefit obligations as of 12/31	831	35,223	36.054	841
Plan assets as of 1/1	0	0	0	0
Additions to consolidation group	0	36,372	36,372	0
Exchange rate changes	0	577	577	0
Benefits paid	0	-1.374	-1,374	0
Interest income	0	1,548	1,548	0
Return on plan assets	0	-2.123	-2,123	0
Contributions by employer	0	7,020	7,020	0
Plan assets as of 12/31	0	42,020	42,020	0

in EUR'000	2023 Germany	2023 United Kingdom*	2023 Total	2022
Provisions for pensions as of 12/31	831	-6,797	-5,966	841
Asset ceiling as of 1/1	0	0	0	0
Additions to consolidation group	0	1,894	1,894	0
Exchange rate changes	0	2	2	0
Interest expense	0	318	318	0
Change in asset ceiling, excluding amounts included in interest income/expense	0	4,583	4,583	0
Asset ceiling as of 12/31	0	6,797	6,797	0
Net defined benefit liability as of 12/31	831	0	831	841

*Change to the scope of consolidation due to first-time consolidation of LIBF as of 31 March 2023

Contributions of GBP 6,050 thousand (EUR 7,020 thousand) were paid to the fund in the United Kingdom in the period from 1 April 2023 to 31 December 2023, made up of a one-off special contribution of GBP 6,000 thousand (EUR 6,806 thousand) paid on 4 April 2023 and half the annual contribution of GBP 100 thousand as this is paid twice yearly to increase the assets. The Group does not recognize the surplus cover in the balance sheet as at December 31, as LIBF has no unconditional right to reimbursement of the current excess cover either on termination or on liquidation of the fund.

The fund has invested in a diversified range of returning-seeking assets (Growth Assets), in high quality corporate bonds for stable cashflows (Cashflow Matching Credit) and in a portfolio of gilts for stabilize fund (Matching Portfolio)

Plan assets of the fund are categorized into the following investment categories, with market quotations on active markets:

in EUR'000	2023	2022
Investment funds	16,917	0
Government bonds	23,604	0
Derivatives	489	0
Real Estate	444	0
Cash and cash equivalents	566	0
Plan assets as of 12/31	42,020	0

With regard to the pension provisions, the following amounts are recorded in the statement of *comprehensive income*.

in EUR'000	2023 Germany	2023 United Kingdom	2023 Total	2022
Net interest expenses (+) / income (-)	29	0	29	12
Components of defined benefit costs recognized in the statement of profit or loss	29	0	29	12
Actuarial gains/losses from change in financial assumptions	-34	163	129	-416
Actuarial gains/losses from change in demographic assumptions	0	0	0	0
Actuarial gains/losses from adjustments based on *experience*	42	150	192	-13
Return on plan assets	0	2,123	2,123	0
Changes in the effect of asset ceiling	0	4,583	4,583	0
Components of defined benefit costs recognized in other comprehensive income or loss	8	7,019	7,027	-429
Total	37	7,019	7,056	-417

Actuarial assumptions

The actuarial expert reports were prepared by independent and qualified actuaries. The reports are based on the following assumptions:

	2023 Germany	2023 United Kingdom	2022 Germany	2022 United Kingdom
Discount rate p.a.	3.90%	4.59%	3.60%	-
Pension increase p.a.	1.50%		1.50%	-
Inflation rate p.a.		2.65%		

	Germany	United Kingdom
Mortality / disability tables	Heubeck-Richttafeln 2018 G	S3PA Base table 2013 and Continuous Mortality Investigation (CMI) 2022

The sensitivity analysis presented herein for Germany and United Kingdom is predicated upon alterations in a singular parameter, while holding constant all other variables. The following sensitivity analyses contain the main actuarial assumptions for the respective country:

Sensitivity analysis Germany

in EUR'000	Germany
Change in discount rate p.a.	0.50%
Increase in assumption	780
Decrease in assumption	889

Sensitivity analysis United Kingdom

in EUR'000	United Kingdom
Change in discount rate p.a.	0.25%
Increase in assumption	34,153
Decrease in assumption	36,293
Change in inflation rate p.a.	0.25%
Increase in assumption	36,075
Decrease in assumption	34,371
Change in assumed life expectancy at age 60	1 year
Increase in assumption	36,437
Decrease in assumption	34,009

Amount and maturity of future cash flows

As at December 31, 2023, the duration of the defined benefit obligation for Germany stood at 13.6 years (prior year: 14.1 years). The prospective amount payable for the non-discounted pension benefits stands at EUR 46 thousand (prior year: EUR 46 thousand) in a period of up to one year, EUR 215 thousand (prior year: EUR 210 thousand) in a period of up to five years and EUR 220 thousand (prior year: EUR 208 thousand) in a period of up to six to 10 years. The remaining amounts only become payable after 10 years.

For United Kingdom the prospective amount based on the current schedule of contributions of GBP 100 thousand is expected to be paid annually until 31 July 2026. The duration of the defined benefit obligation amounts to 13.0 years.

Although the analysis does not take account of the full distribution of the planned anticipated cash flows, it serves as an approximation of the sensitivity of the assumptions presented.

27 Financial liabilities

Within the context of capital management, the corporate objective of the IU Group consists of both ensuring continuation as a going concern and increasing company value over the long term. The new and improved products and services are expected to increase student numbers each year. This increase is intended to result in an increase in EBITDA and cash flow. The development of intake (new students), drop-out rates (discontinued studies), the student population, EBITDA, cash flow and the net leverage ratio of the IU Group are regularly reviewed by the management of IU Group N.V.

As an additional condition for growth, the Group must ensure that it can fulfill its financial obligations and that the key financial figures (covenants) from the loan agreements are adhered to.

The financial liabilities are as follows:

in EUR'000	12/31/2023	12/31/2022
Overview – amortized cost		
Loans from:		
- Related parties	2,648	29,099
- Other entities	585,293	515,293
Financial transaction costs	-10,480	-9,638
Accrued Interests	3,567	4,150
Total	**581,028**	538,903
Current	1,892	14,025
Non-current	579,136	524,879
Total	**581,028**	538,903

Financial liabilities developed as follows:

in EUR'000	12/31/2023	12/31/2022
Financial liabilities as at 1/1	538.903	503,007
Cash changes		
- Repayment of non-current financial liabilities	*0*	*0*
- Repayment of current financial liabilities	*-45,000*	*-30,000*
- Interests paid	*-45,640*	*-27,379*
- Taking on of non-current financial liabilities	*67,600*	*14,775*
- Taking on of current financial liabilities	*45,000*	*30,192*
Non-cash changes		

in EUR'000	12/31/2023	12/31/2022
- Taking on of non-current financial liabilities	*2,648*	*18,011*
- Settlement of non-current financial liabilities	*-18,788*	*0*
- Settlement of current financial liabilities	*-13,649*	*0*
- Interest expense	*48,400*	*28,983*
- Change in transaction costs	*1,558*	*1,314*
- Currency translation	*-4*	*0*
Financial liabilities as at 12/31	581,028	538,903

See note 24 for the reconciliation table for lease liabilities.

In order to do so, the Group initially took out a loan amounting to EUR 500,000 thousand (Facility B) in 2021, which was subsequently expanded by EUR 15,000 thousand in 2022 and further increased by EUR 70,000 thousand in 2023. The loan is repayable on 12/8/2028. The interest is paid on a quarterly basis and the rate is Euribor plus 5%. Pursuant to the term and facilities agreement, a negative Euribor interest rate does not result in a reduction of the interest burden. IU Group makes use of the effective interest method. Effective interest expense for the financial year amounts to EUR 48,655 thousand (prior year: EUR 29,116 thousand). For this loan, IU Group is obligated to adhere to a covenant. The key financial figure of the covenant is the net leverage ratio, which is calculated by dividing the financial debt level by the run rate EBITDA. As at 12/31/2023, the IU Group had adhered to the covenant. Moreover, the Group has a credit revolving facility agreement for a maximum amount of EUR 35,000 thousand to cover short-term liquidity needs. In 2023 the Group made use of this facility three times. At the end of the financial year there was no outstanding amount.

As of June 30, 2023, the Group entered into a term loan agreement for an initial principal of CAD 6,794 thousand (EUR 4,704 thousand) at a 10% annual interest rate. Following a set-off agreement dated August 16, 2023, which included a purchase price adjustment for UC Education Inc., the principal was reduced by CAD 2,921 (EUR 2,022 thousand) to CAD 3,873 thousand (EUR 2,648 thousand). The revised principal and accrued interest are payable within three years from the date of the original agreement. This loan is integral to the financing of the acquisition of UC Education Inc.

In 2021 and 2022 related parties granted loans to the Company (amounting EUR 11,088 thousand and EUR 18,011 thousand, excluding accrued interests). In the framework of the capital increase that took place in June 2023 these loans were contributed as equity to the Company, resulting in their settlement. Please refer to notes 24 and 31.

In total, the following loans existed as at the end of the financial year:

	12/31/2023			12/31/2022		
	Total in EUR'000	Due date	Interest rate	Total in EUR'000	Due date	Interest rate
Facility B	585,000	2028	EURIBOR +5.0%	515,000	2028	EURIBOR +5.0%
Loans from related parties	0			11,088	2023	10%
	0			18,011	2029	EURIBOR +5.5%
	2,648	2026	10%	0	-	-
Other	293	2023	-	293	2022	-

	12/31/2023			12/31/2022		
	Total in EUR'000	Due date	Interest rate	Total in EUR'000	Due date	Interest rate
Interest	3,567	-	-	4,150	-	-
Transaction costs (netted)	-10,480	-	-	-9,638	-	-
	581,028			538,903		

28 Other provisions

The development of other provisions is shown in the following statement of changes in provisions:

in EUR'000	01/01/2023	Utilization	Reversal	Additions	12/31/2023
Employee benefits	11,015	7,774	17	9,221	12,445
Other provisions	5,948	246	86	4,030	9,646
Total	**16,963**	**8,020**	**103**	**13,251**	22,091

in EUR'000	12/31/2023	12/31/2022
Non-current	1,376	1,916
Current	20,715	15,047
Total	22.091	16,963

The provisions for employee benefits encompass backlogs of holiday leave not yet taken, severance payments and bonus entitlements. Other provisions primarily relate to litigation costs of EUR 4,314 thousand and anticipated VAT back payments due to tax audits of EUR 2,933 thousand.

Litigation costs contain EUR 4,221 thousand for reimbursement claims of students based on the fact that the German Federal Chamber of Architects currently do not accept the architecture bachelor's degree program. Therefore, IU Group has recognized a provision for those matters where management believes future reimbursements to students are probable and can be reasonably estimated. The approach for best estimation of the expenditure is based on the probability of reimbursements to students due to their regular study time since first initial start of the program in 2019.

The management of the Group has comprehensively assessed the potential financial impacts of current and possible future legal disputes related to the architecture degree programs. Recognizing the inherent risk and in accordance with the principle of prudence, management has decided to establish appropriate provisions amounting to EUR 6,455 thousand, hereof EUR 4,221 thousand as provision and EUR 2,234 thousand as liability. The amount of the provisions has been carefully determined based on our risk assessments and using conservative valuation standards to safeguard our company against potential financial obligations. This approach underscores our commitment to responsible and transparent risk management and reporting practices. It should be noted, however, that there remains uncertainty regarding the accuracy of these estimates. While it is possible that the actual amounts could be significantly higher, this scenario is not currently considered likely.

Current provisions will result in corresponding payments in the financial year 2024.

No further material uncertainties exist regarding the measurement of provisions.

29 Trade and other payables

in EUR'000	**12/31/2023**	12/31/2022
Trade payables	23.936	15,315
Other liabilities	22,675	26,727
- of which financial instruments	*17,710*	*17,727*
- of which not financial instruments	*4,965*	*9,000*
Total	**46,611**	42,042

The financial instruments disclosed under other liabilities primarily contain outstanding invoices, debtors with credit balances, costs for the semester ticket, refund liabilities to students which are related to the architecture degree programs (see also note 28) as well as security deposits. The increase goes in hand with the rise in other expenses and is primarily due to an increase in consulting fees and marketing initiatives to enroll more students.

The amount that is not included in the financial instruments primarily contains tax and salary liabilities as well as the balances of students on prepaid cards.

30 Financial instruments and financial risk management

The following table provides an overview of the classification categories pursuant to IFRS 9 and reconciles the carrying amounts with the fair values:

Fair values of financial instruments according to class and measurement category

in EUR'000		**Level in fair value hierarchy**	Carrying amount 12/31/2023	Fair value 12/31/2023	**Carrying amount 12/31/2022**	**Fair value 12/31/2022**
Assets						
Non-current financial assets	Amortized cost	3	9,320	9,320	8,926	8,926
Current trade receivables	Amortized cost	3	61,974	61,974	37,660	37,660
Current other assets	Amortized cost	3	3,158	3,158	2,248	2,248
Cash and cash equivalents	Amortized cost	1	34,015	34,015	16,670	16,670
Total			**108,467**	**108,467**	65,504	65,504
Liabilities						
Non-current financial liabilities	Amortized cost	3	579,136	579,136	524,879	524,879
Non-current lease liabilities	Amortized cost		87,124		71,686	
Current financial liabilities	Amortized cost	3	1,892	1,892	14,025	13,449
Current lease liabilities	Amortized cost		14,975		10,076	

in EUR'000		Level in fair value hierarchy	Carrying amount 12/31/2023	Fair value 12/31/2023	Carrying amount 12/31/2022	Fair value 12/31/2022
Current trade and other payables	Amortized cost	3	41,646	41,646	33.042	33,042
Total			724,773	622,674	653,707	571,370

If reclassifications into other levels of the measurement hierarchy are necessary, this takes place at the end of the financial year in which the event necessitating the reclassification takes place. There were no reclassifications in the financial year under review.

Non-current and other assets relate to lease security deposits and finance lease receivables. The fair value corresponds approximately to the carrying amount.

In the case of current receivables and payables as well as liquid funds, the carrying amounts correspond approximately to the fair values due to the short remaining term. The current other assets are non-interest-bearing. Therefore, the carrying amount corresponds to the fair value (see also note 21).

The fair value of the non-current financial liabilities is based on the discounted cash flows using the current market interest rate for the type of financial liabilities concerned. Due to the use of unobservable inputs, including own default risk, they are classified into fair value level 3 of the fair value hierarchy.

Non-current financial liabilities primarily consist of a loan from an external lender (see note 27). For these non-current financial liabilities, the fair value does not materially deviate from the carrying amount. The fair value is based on the discounted cash flows using the current market interest rate for the type of financial liability concerned. Due to the use of unobservable inputs, including own default rate risk, they are classified into fair value level 3 of the fair value hierarchy.

Net gains and losses

The net gains and losses from financial instruments presented below include measurement results, the updating of premiums or discounts, the recognition and cancellation of expenses from impairment losses as well as interest and all other effects on income caused by financial instruments.

Financial assets measured at amortized cost

in EUR'000	2023	2022
- thereof loss allowance	-6,030	702
from related parties	*0*	*5,456*
from trade receivables	*-6,030*	*-4,754*
- thereof interest	468	211

Financial liabilities measured at amortized cost

- thereof interest	-57.553	-36,103
- thereof fees	0	-144

Market risks

The Group is mostly financed through long-term loans and trade payables. The resulting risks include market risks, in particular credit risks, interest rate risks and currency risks as well as liquidity risk, which are continuously monitored.

The procedures for managing the individual types of risks are presented below.

Credit risk

As part of its business activities with third parties, the Group is generally exposed to a global default risk that primarily results from its operating business. This risk results from the possibility of a contractual party not fulfilling its obligations.

Credit risks primarily affect cash and cash equivalents, trade receivables, lease receivables and lease security deposits.

The Group carries out transactions exclusively with banks with good creditworthiness. Due to this business model, credit risk concentrations in the area of receivables do usually not exist.

The maximum credit risk in the event of a counterparty defaulting corresponds to the carrying amount of these instruments.

The carrying amount of the following financial instruments represent the maximum credit risk. As at the reporting date the maximum risk amounted to:

Carrying amounts of financial instrument in EUR'000	2023	2022
Trade receivables	61,974	37,660
Other assets	12,478	11,174
Cash and cash equivalents	34,015	16,670

For trade receivables, IU Group uses the "simplified approach" and recognizes the expected credit losses over the entire remaining term upon addition. Within the simplified approach, IU Group determines the anticipated credit defaults broken down according to risk group and with historical default rates taken into consideration. The categorization into the respective risk groups is made based on common credit risk characteristics. For IU Group, these are receivables from in-person courses, receivables from online courses and other receivables. Based on historical default data from the prior financial year and with future-oriented macro-economic indicators taken into consideration, risk clusters and specific default rates are determined. The Group has identified gross domestic product and the unemployment rate as the most relevant factors and adjusts the historical loss rates based on the anticipated changes in these factors.

A loss allowance on an individual basis is made within the "simplified approach" if one or more events have occurred that negatively affect the creditworthiness of the debtor. Such events include, among other possibilities, delays in payment, impending insolvency or concessions to the borrower due to payment difficulties. Trade receivables are written off directly if their recoverability can no longer be reasonably expected. This is the case, for example, if the debtor becomes insolvent.

The Company takes account of the probability of default at the date of the initial recognition of assets and the presence of any significant increase in the default risk throughout all reporting periods. In order to assess whether the default risk has increased significantly, the Company compares the default risk relating to the asset on the reporting date with the default risk as at the date of initial recognition. In this context, available, appropriate and reliable future-oriented information is taken into account. In particular, indicators such as internal and external creditworthiness assessments as well as actual or anticipated significant changes in financial performance are taken into consideration here.

These are the only financial instruments in the general credit risk approach for financial instruments (general approach) with impairment. The carrying amount reflects the maximum credit risk.

The 2023 development of the loss allowance based on the expected credit loss for trade receivables is shown in the following statement:

in EUR'000	01/01/2023	Release	Utilization	Additions	12/31/2023
Trade receivables	10,829	0	4,543	6,040	12,326

The 2022 development of the loss allowance based on the expected credit loss for trade receivables and the related party loan is shown in the following statement:

in EUR'000	01/01/2022	Release	Utilization	Additions	12/31/2022
Trade receivables	6,535	0	460	4,754	10,829
Related party loan	5,456	5,456	0	0	0

Cash and cash equivalents relate to bank balances. In addition, the creditworthiness of the banks is regularly monitored.

Due to the short depositing period and the good creditworthiness of the banks, cash and cash equivalents have a low default risk. Therefore, no material impairments were identified as at 12/31/2023.

Interest rate risk

The Group is subject to interest rate risks due to a variable interest-bearing loan. Risk controlling continuously monitors the interest risk using appropriate instruments and methods and reports regularly to the management on current developments. The objective of the risk strategy is to limit or eliminate the risks from interest rate changes.

The loan from unrelated third parties is also subject to a variable interest rate oriented towards the 3-month Euribor rate. Pursuant to the loan agreement, a negative Euribor interest rate does not result in a reduction of the interest burden.

Carrying amount of primary interest-bearing financial instruments in EUR'000	2023		2022	
	Fixed interest/ non-interest-bearing	Variable interest	Fixed interest/ non-interest-bearing	Variable interest
Financial liabilities	6,508	574,520	15,238	523,665
Trade and other payables	41,616	0	33,042	0

The interest rate sensitivities are as follows:

in EUR'000	**Profit or loss**	
	Increase by 100 basis points	**Decrease by 100 basis points**
12/31/2023		
Variable interest bearing financial instruments	- 5.850	+ 5.850
12/31/2022		
Variable interest bearing financial instruments	- 5.330	+ 5,330

Currency risk

Following its recent expansions into Canada and the UK, the Group now faces enhanced currency risks due to financial transactions and operations in Canadian Dollars and British Pounds, alongside the primary currency, the Euro. These additional currencies introduce volatility from exchange rate fluctuations, which could potentially impact the Group's financial results. The finance department actively monitors these currency risks and evaluates their potential impact on an ongoing basis, ensuring that the Group's financial management practices adapt appropriately to these risks.

Liquidity risk

The Group continuously monitors the risk of potential liquidity shortfalls with consideration for the prospective due dates of financial liabilities as well as the expected cash flows from operating activities. Any liquidity risks are counteracted by way of the most long-term financing possible. Continuous monitoring of the parts of financing that are due in the short-term takes place using corresponding corporate planning.

The contractual cash flows from leasing liabilities are described under note 24. The contractual cash flows from other liabilities are broken down as follows:

Due dates of contractual cash flows from financial liabilities in EUR'000

2023

Due dates of contractual cash flows from financial liabilities (excluding lease liabilities)	**Loans from related parties**	**Loans from other entities**	**Trade and other payables**	**Total**
<1 year	265	52,404	41,646	**94,315**
1 to 5 years	3,045	773,985	0	**777,030**
>5 years	0	0	0	**0**
Total	**3,310**	**826,389**	**41,646**	**871,345**

2022

Due dates of contractual cash flows from financial liabilities (excluding lease liabilities)	**Loans from related parties**	**Loans from other entities**	**Trade and other payables**	**Total**
<1 year	13,699	35,725	33,042	82,466
1 to 5 years	0	142,900	0	142,900
>5 years	27,496	536,912	0	564,408
Total	41,195	715,537	33,042	789,774

If a termination right exists, the cash outflow is taken into account until the earliest possible termination date.

With regard to the due dates and future cash flows of lease liabilities, please refer to note 25.

The parent company IU Group N.V. and IU Finance Management, which acts as borrower, have pledged a bank account of IU Finance Management (EUR 185 thousand), shares in subsidiaries as well as intercompany receivables.

The terms of the loan agreement are considered to be not fulfilled if interest payments are in default and covenants are in breach.

31 Related parties

Remuneration of key management personnel

The three current managing directors and the three current supervisory board members are considered the key management personnel at IU Group N.V.

in EUR'000	**2023**	2022
Short-term employee benefits	2,810	884
- of which recognized in provisions	*198*	*151*
Share-based payment transactions	7,804	3,334
Total	**10,614**	4,218

For further information regarding share-based payment, please refer to note 23.

Other transactions with related entities

On February 22, 2021 one of the shareholders (other related party) granted a loan amounting to EUR 11,088 thousand at an interest rate of 10%. In the financial year, EUR 504 thousand was recognized as interest expense (prior year: EUR 1,109 thousand). For more information, please refer to note 27.

Another shareholder granted a loan amounting to EUR 18,011 thousand on November 30, 2022 at an interest rate of Euribor + 5.5%. In the financial year, EUR 663 thousand was recognized as interest expense. For more information, please refer to note 27.

As part of the capital structure optimization efforts that took place in June 2023, both loans were sold to the new parent company, Oakley Capital Guinness BidCo S.à.r.l.

The parent company then contributed the loan receivables to IU Group as a contribution in kind in return for a capital increase resulting in the extinguishment of the corresponding receivables through debt compounding. This transaction was recorded at a nominal value of EUR 32,437 thousand, in line with the financial covenant terms stipulated in the facilities agreement. Please refer to note 24.

In 2023 the group entered into a term loan agreement with a related party (other related party) for a principal amount of CAD 3,873 thousand (EUR 2,648 thousand) at a 10% annual interest rate. The principal amount and the accrued interest are payable within three years. In the financial year, CAD 194 thousand (EUR 132 thousand) was recognized as interest expense. For more information, please refer to note 27.

32 Employees

The average number of employees amounted to 4,462 (prior year: 3,423) and is broken down as follows:

	2023	2022
Number of employees at the higher education institution	1.177	1,237
- of which teaching personnel	*680*	*542*
Number of employees in administration and other areas	3.285	2,186
Total	**4,462**	3,423

33 Auditor's fee

The following fees arose for the services performed by the auditors of PricewaterhouseCoopers GmbH (PwC Network) and thereof by the statutory auditor PwC Bedrijfsrevisoren BV / PwC Reviseurs d'Entreprises SRL.:

in EUR'000	2023	2022
Audit services	779	972
- of which PwC Belgium	*709*	*527*
Other assurance services	15	0
- of which PwC Belgium	*15*	*0*
Tax consulting services	1,157	944
- of which PwC Belgium	*16*	*0*
Other services	421	583
- of which PwC Belgium	*0*	*0*
Total	**2,372**	2,499

The fee for audit services includes additional expenses amounting to EUR 109 thousand (prior year: EUR 431 thousand) for audit services relating to the prior year annual financial statements.

34 Key management

The members of management in the financial year under review were:

Dr. Sven Schütt, Chief Executive Officer, Munich

Marvin Lange, Chief Financial Officer, Munich

Mattias Reithmeyer, Director Finance, Munich

The members of the supervisory board in the financial year under review were:

Willy Dietzel

Ralf Schremper

Sascha Günther (until June 16, 2023)

Sam Fenton-Whittet (from June 16, 2023)

35 Events after the reporting period

On August 1, 2024, the Steigenberger Akademie, a sub-lessee of our organization and a renowned hotel management school since 1948, will close due to a decline in new talent entering the hospitality industry. The financial impact of this closure is currently being assessed. The maximum risk from the termination of the contract due to the closure of Steigenberger Akademie amounts to EUR 2,613 thousand, representing the value of the finance lease receivables as of July 31, 2024. Further details and necessary adjustments will be provided as more information becomes available.

In June 2024, IU Group repriced its EUR 585 million Term Loan B due in December 2028, simultaneously upsizing it to EUR 600 million. This repricing was net leverage neutral and reduced the interest rate margin applicable to the loan from EURIBOR + 4.46% to EURIBOR + 3.75%. The transaction is expected to enhance the cash flow profile by lowering interest payments. The group anticipates transaction costs of EUR 1.3 million. This strategic move not only reshaped the capital structure but also demonstrated ongoing commitment to optimizing financial performance and good credit standing with lenders.

There were no further events with a significant effect on net assets, financial position and results of operations after December 31, 2023.

36 Exemption pursuant to Section 264 (3) HGB

The following German companies that have the legal form of incorporated entities exercise the optional exemption from certain provisions regarding the preparation, auditing and disclosure of the annual financial statements and management report pursuant to Section 264 (3) of the German Commercial Code (Handelsgesetzbuch – HGB):

Entity	Registered Office
IU Academic Coordination & Program Services GmbH (previously: IU Teaching Services 3 GmbH)	München
IU Augsburg GmbH	Augsburg
IU Bad Honnef GmbH	Bad Honnef
IU Bielefeld GmbH	Bielefeld
IU Bremen GmbH	Bremen
IU Commercial 1 GmbH	München
IU Commercial 2 GmbH	München
IU Corporate Functions GmbH	München
IU Corporate Relations GmbH	München
IU Corporate Services GmbH	München
IU Dortmund GmbH	Dortmund
IU Dresden GmbH	Dresden

Entity	Registered Office
IU Duisburg GmbH	Duisburg
IU Erfurt GmbH	Erfurt
IU Essen GmbH	Essen
IU Examination Service GmbH	München
IU Finance Management GmbH	München
IU Frankfurt a.M. GmbH	Frankfurt
IU Freiburg GmbH	Freiburg
IU Hamburg GmbH	Hamburg
IU Hannover GmbH	Hannover
IU International Holding Services GmbH (previously: IU Teaching Services 4 GmbH)	München
IU International Services 1 GmbH (newly created)	München
IU International Services 2 GmbH	München
IU Internationale Hochschule GmbH	Erfurt
IU IT Services GmbH	München
IU Karlsruhe GmbH	Karlsruhe
IU Köln GmbH	Köln
IU Leipzig GmbH	Leipzig
IU Lübeck GmbH	Lübeck
IU Mainz GmbH	Mainz
IU Mannheim GmbH	Mannheim
IU Marketing Service GmbH	München
IU Media Production Services GmbH (previously: IU Teaching Services 2 GmbH)	München
IU Medical School GmbH	Mainz
IU München GmbH	München
IU Münster GmbH	Münster
IU Nürnberg GmbH	Nürnberg
IU Sales Services GmbH	München
IU Service GmbH	Bad Honnef
IU Student Services Berlin GmbH	Berlin
IU Student Services Braunschweig GmbH	Braunschweig
IU Student Services Düsseldorf GmbH	Düsseldorf
IU Student Services GmbH	München
IU Stuttgart GmbH	Stuttgart
IU Teaching Services 1 GmbH	München
IU Teaching Services 5 GmbH (newly created)	München
IU Teaching Services 6 GmbH (newly created)	München
IU Ulm GmbH	Ulm

37 *Disclosures regarding the statement of cash flows*

Material non-cash-transactions are related to the change in the shareholder structure as described in note 24. These include a capital increase resulting from the conversion of transferred shares as part of the acquisition of UFred, the acquisition of rights-of-use-assets and share based payments.

The cash flow from operating activities amounts to EUR 107,289 thousand in 2023 (prior year: EUR 88,025 thousand).

The cash flow from investing activities amounted to EUR -92,950 thousand (prior year: EUR -53,782 thousand). The cash flow from financing activities reflects the financing of the Group and amounts to EUR 2,940 thousand (prior year: EUR -28,077 thousand). With regard to the financing of the Group, please refer to note 27 regarding financial liabilities.

Additional financing activities exist in relation to leases (compare note 25), although no cash and cash equivalents are initially used for these when they commence. The leasing installments subsequently result in pro rata cash outflows.

Based on expected sustainable positive cash flows due to the strong growth and the revolving credit facility available, we anticipate sufficient liquidity of the Group in the years to come. With respect to the covenants agreed, there is adequate headroom. Due to the very positive business development, the Group's or an individual subsidiary's ability to continue as a going concern is not jeopardized.

Brussels, August 23, 2024

Dr. Sven Schütt	Marvin Lange	Mattias Reithmeyer
Managing Director	*Managing Director*	*Managing Director*

Appendix I

Group Management Report

IU Group N.V., Brussels/Belgium

for Financial Year 2023

1. Business Model

1.1. Business Purpose

The vision of the IU Group for the annual management report is "Everybody can access education to grow." This vision embodies the commitment of the university to provide equal access to quality education for all individuals, regardless of their background or circumstances. It reflects the belief that education is a transformative tool that empowers individuals to enhance their knowledge, skills, and opportunities, thereby fostering personal growth and societal development.

The mission of the IU Group is to empower people across the globe with the most personalized approach to education. This mission reflects the university's dedication to providing learners with tailored and individualized learning experiences that meet their unique needs, preferences, and aspirations. By leveraging technology and innovative teaching methods, the IU Group aims to create a flexible and accessible learning environment where individuals can acquire knowledge and skills to thrive in their personal and professional lives.

The annual management report will focus on the strategies and initiatives implemented by the IU Group in 2023 to fulfill this vision and create a positive impact on the lives of learners worldwide.

1.2. Organizational Structure

IU Group N.V., with registered office in Brussels, Square Ambiorix 10, Belgium, under enterprise number 0770928680 (hereinafter also referred to as "the Company") is the parent company of the IU Group (hereinafter referred to as IU or "the Group" or "the IU Group"). The IU Group operates as one of the largest private universities in Germany.

In 2023, the Group expanded its global presence through strategic acquisitions of the University of Fredericton (UFred) in Canada and the operating business of The London Institute of Banking & Finance (LIBF) in the UK, both of which now operate as wholly owned subsidiaries. These acquisitions align with IU's strategy to democratize education globally and enhance our educational offerings internationally.

Since December 1, 2023, the management of IU Group has divided its business into four segments:

- The former B2C segment was divided into three segments B2C DACH Core, B2C DACH Other and B2C International.
- On Campus (formerly B2B) segment now also contains the business unit MyStudium DACH (previously in B2C).

1.3. Necessary Input Factors for Business Activities

The main input factors are, in addition to permanent university teachers (professors and mid-level academic positions) and external lecturers, acquisition and assistance staff for the students and the academic and commercial parts of administration. Also, the development of new degree programs or further development of existing degree programs with own personnel are important for long-term success of the business activities of IU Group.

1.4. Business Processes

The business processes of IU Group encompass essential aspects such as engaging with students, offering diverse study models, providing a comprehensive range of course programs, establishing accessible campus locations and examination centers, and employing a dynamic team of professors, lecturers, and employees. The following information presents the growth, innovation, and commitment to excellence within our organization's business operations.

Total students	> 144,000
Study models	Online, blended and physical as well as further qualification programs for B2C and On Campus
Course programs	322 Bachelor, Master and MBA programs
Campus locations	> 35 in Germany
Examination centers	31
Professors, lecturers, employees	4,462

1.5. Products and Services

The Group offers the following study programs in the four reporting segments described above:

B2C DACH Core	B2C DACH Other	B2C International	On Campus
Online courses for working adults are available in Germany, Austria, and Switzerland. These courses encompass a wide range of academic qualifications, including Bachelors, Masters, and MBA programs.	Providing of courses tailored to various needs, such as B2G (short courses for the unemployed), Part Time (evening courses), and Campus Studies (learning conducted through campus-based programs).	Online courses are available in mature markets such as France, Spain, Italy, Poland, UK and Canada as well as emerging markets including Africa and India. Additionally, hybrid courses are offered to younger students. The courses encompass a broad range of academic qualifications, including Bachelors, Masters, EMBA and MBA programs.	Dual study programs are available for young students, wherein they have the opportunity to pursue Bachelor courses through a combination of physical and virtual study centers. These programs also include work experience, which is supported by an employer. On Campus courses, primarily offered in Germany, are an integral part of our program offerings In addition, hybrid courses (MyStudies) for younger students are part of the On Campus segment.

2. Research & Development Report

The R&D activities cannot be compared with those of a manufacturing company. The focus is on the development of new study courses and the further development of the existing portfolio as part of the re-accreditation and optimization of the user experience with the help of innovative technologies.

Intensive market research is conducted to understand existing markets as well as potential growth opportunities and thus be able to better address the students' needs. As part of academic research, the professors of IU Internationale Hochschule also participate in projects dealing with the further development of teaching as well as trend studies in the area of education, change in the working world and technological transformation. Furthermore, teaching materials, such as scripts, interactive exams, videos and examination documents are prepared.

In the financial year 2023, total research and development costs amounted to EUR 88,785 thousand (prior year: EUR 65,726 thousand), i.e. in financial year 2023 alone, EUR 23,243 thousand (prior year EUR 27,811 thousand) were capitalized, thereof, EUR 3,625 thousand relate to self-generated software (prior year: EUR 7,389 thousand). R&D costs also include costs for external R&D service companies. Research and development expenses for third-party funded projects decreased to EUR 314 thousand (prior year: EUR 767 thousand).

3. Economic Report

3.1. Development of the Sector and the Macroeconomy

The German Council of Economic Experts reported a 0.3% decline in the German Gross Domestic Product (GDP) in 2023, primarily attributed to the decrease in domestic demand, notably influenced by the significant drop in government consumption expenditure at the beginning of the year. Looking ahead to the forecast period until the end of 2024, private consumption expenditure is expected to recover due to the resurgence of real incomes. However, the unexpectedly slow global economic recovery, particularly in China, is likely to persist and continue to restrain German exports in 2024, resulting in a projected negative contribution from trade. It is projected that GDP growth will marginally improve in 2024, reaching 0.3%. The external economic environment in Germany is significantly obscured, with factors such as global monetary tightening and the moderate growth in China contributing to this outlook. While the United States has provided positive external economic impetus since the spring of 2023, the economic performance in the Eurozone only experienced marginal growth for the second consecutive quarter in Q2 2023. Furthermore, the Chinese economy has grown notably slower in 2023 than in the past and below expectations following the conclusion of their Zero-Covid policy. Looking into 2024, a moderate improvement is expected in the global economic situation, even though China's growth is anticipated to remain weak in relative terms. Therefore, global GDP increased by 3.1% in 2023 and is projected to remain at 3.1% in 2024, reflecting growth rates that are lower compared to the averages of the 2010s.

The group is currently experiencing a robust and accelerated growth trajectory. This sustained upward trend in performance and expansion has been consistently evident in our strategic initiatives and financial outcomes throughout the financial year 2023. In Germany, the number of overall students slightly decreased by 51 thousand students to 2,870 thousand students in 2023 compared to 2022. At private universities the number of students moderately increased by 22 thousand students to 365 thousand students in 2023. Furthermore, 12.7% (prior year 11.8%) of students in Germany study at a private university.

3.2. Business Performance

3.2.1. Sales and student development

IU Group benefited from growth in the service industry sector in 2023 by offering different forms of learning (on campus study, dual study, part-time study, distance learning) and increased the number of enrolled students by almost 19% compared to the previous year.
Sales revenues of EUR 506,778 thousand (prior year: EUR 383,169 thousand) were generated in the financial year from January to December 2023. Compared to the previous year, sales increased in total by EUR 123,609 thousand or 32%. The majority of students (>80%) originates from Germany.

Sales in EUR thousand	**2023 Actual**	**2023 Budget**	**2022 Actual**
On Campus	188,503	200,851	129,436
B2C DACH Core	242,547	245,186	219,166
B2C DACH Other	23,143	22,598	26,368
B2C International	52,585	25,578	8,199
Total	506,778	494,215	383,169

# Paying students in thousand	**2023 Actual**	**2023 Budget**	**2022 Actual**
On Campus	30.2	32.6	23.8
B2C DACH Core	67.2	72.4	61.8
B2C DACH Other	4.7	4.0	5.3
B2C International	17.1	16.9	9.4
Total	119.2	125.9	100.3

* Categorization has been adjusted and prior year figures have been reclassified accordingly, because new internal reporting structure was implemented in 2023.

On Campus: Most of the new students start their course towards the end of the year (main intake in October for the winter semester 2023/2024). There was a constant year on year growth of new study locations, increasing from 16 to 48 between FY19 and FY23.

B2C DACH Core: Sales increased by 11% year-on-year while the number of paying students increased by 9% compared to the previous year. The increase reflects the impact of efficient marketing investment and the positive full year impact of "Click & Study" which supports conversion through accelerated matriculation.

B2C DACH Other: While sales decreased by 12% and the number of paying students decreased by 11% compared to the previous year, the segment's resilience is underscored by the performance of our Business-to-Government (B2G) operations, which continue to drive a substantial portion of our activity. Despite the strong performance in B2G, the overall decrease is driven by the phasing out of two discontinued offerings.

B2C International: In 2023, the Group enhanced its B2C International segment through the strategic acquisitions of UFred and LIBF. These acquisitions contributed materially to a 541% increase in sales and a 82% growth in the number of paying students, bolstered by the success of "Click & Study" and initial enrollments at LIBF.

3.2.2. Human resources

In the course of 2023, 4,462 staff members were employed on average (number excluding trainees and dual students, prior year 3,423). The employee base includes both teaching staff and trainer staff as well as administrative staff with specific technical knowledge and sound professional experience.

In 2023, there were 1,177 employees at the higher education institution, which reflected a decrease of 60 individuals (-5%) in comparison to 2022. This decline was primarily due to a reclassification of departments in the Group. On the other hand, the reclassification of departments also led to an increase in the number of teaching personnel (+25%).
The segment comprising employees in administration and other areas witnessed substantial growth, with 3,285 individuals employed in 2023. This marked an increase of 1,099 staff members (50%) from the previous year.

3.2.3. Other important events in the financial year

Acquisition of the London Institute of Banking and Finance

On March 31, 2023, the Group acquired the operating business of The London Institute of Banking and Finance (London, UK) by means of an asset deal for a purchase price of GBP 17,209 thousand (EUR 19,519 thousand). The London Institute of Banking and Finance was founded in 1879 and offers professional qualifications, undergraduate and postgraduate degrees and qualifications in schools to students and professionals. The business was acquired to expand the academic offering and increase the international presence of the Group.

Acquisition of the University of Fredericton

On May 10, 2023, the Group also acquired the University of Fredericton (Fredericton, Canada) by means of a share deal for a purchase price of CAD 82,079 thousand (EUR 55,916 thousand). The University of Fredericton was founded in 2005 and is a fully online, degree-granting institution offering certificates, diploma, and degree programs. The acquisition was made to establish a stronger presence in the international market, thereby further reinforcing the group's global reputation as a trusted provider of high-quality higher education.

Change of ownership IU Group

In March 2023 a sales and purchase agreement was signed in order to transfer all the shares held by Oakley CP Holdings Ltd, by CPG Co-Investment I GmbH & Co KG and by CPG Co-Investment II GmbH & Co KG

to Oakley Capital Guinness Bidco S.à.r.l. with effective date 16 June 2023. After the closing all the series C shares have been converted to series A shares.
Oakley Capital Guinness Bidco S.à r.l. is held for 100% by Oakley Capital Guinness Midco S.à r.l. which in turn is 100% owned by Oakley Capital Guiness Holdco S.à r.l. The three of them have their head offices in Luxembourg.

3.3. Results of Operations of the Group

3.3.1. Revenue Development

Sales revenues of the Group increased in the financial year 2023 by 32 percent to EUR 506,778 thousand (previous year: 40 percent).

In EUR thousand / %	2023	2022
Sales revenue	506,778	383,169
Cost of materials	-27,902	-22,845
% of revenues	6%	6%
Personnel expenses	239,614	169,563
% of revenues	47%	44%
EBITDA	90,320	69,301
% of revenues	18%	18%
Amortization/depreciation	-57,072	-43,383
Net financial income/loss	-57,812	-26,442
Consolidated loss before income taxes	-25,564	-523

The cost of materials and purchased services, primarily driven by the increased need for additional lecturers, rose disproportionately compared to sales revenue, as these expenses are only marginally dependent on the number of enrolled students. Personnel expenses increased by 41% compared to the previous year primarily due to the general growth of the Group.

Amortization/depreciation in the financial year 2023 exceeded the prior-year level. This mainly results from capital expenditure made in the previous year as well as from capitalized development costs and self-generated software. Additionally, the depreciation for right-of-use assets and tablets increased significantly.

The net financial loss increased to EUR 57,812 thousand (prior year: EUR 26,442 thousand). This increase can be attributed to a decrease in financial income, amounting to EUR 1,334 thousand (prior year: EUR 9,846 thousand) and to an increase in financial expense to EUR 59,146 thousand (previous year: EUR 36,288 thousand). The increased financial expense is due to a higher borrowed amount and to higher interest rates.
Due to the growth efforts and the associated increased costs (especially personnel expenses, consulting fees and interest expenses), the consolidated net loss increased from EUR 13,257 thousand in the previous year to EUR 37,150 thousand.

3.3.2. Financial Position

Capital Structure

The Group is mostly financed through a long-term loan and trade payables.

In 2021, the Group took out a loan amounting to EUR 500,000 thousand which was expanded to EUR 585,000 thousand in 2023. The loan is repayable on 12/8/2028. Interest has to be paid on a quarterly basis. The interest rate is EURIBOR + 5%. For this loan, IU Group is obligated to adhere to a covenant. The key financial figure of the covenant is the net leverage ratio, which is calculated by dividing the financial debt level by the pro forma EBITDA of the last twelve months. In 2023, all conditions of the covenant have been met. In addition, depending on the net leverage ratio, there is potential to lower the spread by two step-downs of 0.25% each.

For financing the acquisition of University of Fredericton the Group has entered into a term loan agreement for a principal of CAD 3,873 thousand (EUR 2,648 thousand). The principal and accrued interest are payable within three years from the date of the original agreement.

Current and non-current lease liabilities increased to EUR 102,099 thousand (prior year: EUR 81,762 thousand) due to the lease of new locations. As a result of higher sales generated, non-current and current contractual liabilities also increased to EUR 120,256 thousand (prior year: EUR 85,158 thousand) in total. The higher provisions in the amount of EUR 22,091 thousand (prior year: EUR 16,963 thousand) primarily relate to other accruals, such as an increase in provisions for holiday of EUR 1,892 thousand and an increase in provisions for litigations of EUR 1,044 thousand. Trade payables and other liabilities increased to EUR 52,709 thousand (prior year: EUR 42,042 thousand), which is mainly due to higher trade payables.

Shareholders' equity amounts to EUR -366,801 thousand (prior year: EUR -389,973 thousand) as of December 31, 2023. The evolution primarily results from the capital increase, consisting of 588 thousand new shares with a nominal value of EUR 1. This resulted in a share capital of EUR 2,181 thousand (prior year: EUR 1,593 thousand). The associated issue premium increased the capital reserve to EUR 79,389 thousand (prior year: EUR 12,008 thousand. This capital increase is related to the acquisition of the University of Fredericton.

Liquidity

Cash flow from operating activities increased to EUR 106,799 thousand (prior year: EUR 88,025 thousand) as a result of the positive business development. Cash outflow from investing activities increased to EUR - 92,459 thousand (prior year: EUR -53,782 thousand), showing cash outflow for the acquisition of LIBF by EUR 15,754 thousand and for the acquisition of UFred by EUR 31,020 thousand in 2023. The cash flow from financing activities increased to EUR 2,940 thousand (prior year: EUR -28,077 thousand), mainly due to the taking on of new financial liabilities to EUR 67,500 thousand (prior year: EUR 14,775 thousand).

3.3.3. Net Assets

The Group discloses a balance sheet total of EUR 568,313 thousand as of December 31, 2023 (prior year: EUR 404,663 thousand). In assets, 81% account for long-term assets (EUR 461,682 thousand, prior year: EUR 342,587 thousand). These largely consist of capitalized goodwill (EUR 141,593 thousand, prior year: EUR 115,276 thousand) as well as intangible assets (EUR 175,800 thousand, prior year: EUR 106,195 thousand).

Due to the lease of new locations the rights of use of leased assets capitalized increased from EUR 72,702 thousand to EUR 90,451 thousand; lease liabilities increased correspondingly. In addition, the expansion of our business operations was the reason for higher investments made in operating and office equipment, which increased to EUR 38,807 thousand (prior year: EUR 33,541 thousand).

In current assets, trade receivables in the amount of EUR 61,974 thousand (prior year: EUR 37,660 thousand), cash and bank balances in the amount of EUR 34,015 thousand (prior year: EUR 16,670 thousand) and other current receivables and assets in the amount of EUR 10,580 thousand (prior year: EUR 7,690 thousand) are the largest individual items. Trade receivables have increased in the reporting year due to the positive business development, while the increase in other current receivables and assets is primarily due to increased prepaid expenses. Cash and cash equivalents have increased as a result from reporting date effects and efficient cash management strategies.

3.3.4. Financial and Non-Financial Performance Indicators

In addition to the key figures of sales revenue, development of student numbers and operating cash flow, the management of the IU Group uses the financial performance indicator "Adjusted EBITDA" to manage the business and control the Group. "Adjusted EBITDA", which is used for internal control, is defined as follows:

Consolidated earnings before income taxes

+ Financing expenses

- Financial income

+ Amortization/depreciation

= Reported EBITDA

+ Non-recurring costs

+ Startup losses of new locations

= adjusted EBITDA

Adjusted EBITDA amounts to EUR 159,298 thousand (prior year: EUR 116,100 thousand), is slightly below the planned level of EUR 160,481 thousand and derives from the EBITDA shown here as follows: non-recurring costs of EUR 32,045 thousand (prior year: EUR 12,567 thousand) and startup losses for new locations of EUR 36,233 thousand (prior year: EUR 34,232 thousand). The two-digit increase in adjusted EBITDA predicted for 2023 was achieved.

3.3.5. Overall Statement

The Group discloses consolidated comprehensive income of EUR -44,745 thousand (prior year: EUR -12,828 thousand) and also has generated positive operating cash flow of EUR 106,799 thousand (prior year: EUR 88,025 thousand) due to strong growth in sales. Based on expected sustainable positive operating cash flow and the credit revolving facility agreement available, we anticipate sufficient liquidity of the Group in the years to come. In respect of the covenants agreed in the current loan agreement, there is adequate headroom. Due to the very positive business development, the Group's or an individual subsidiary's ability to continue as a going concern is not jeopardized.

4. Events after the Reporting Period

For information on events after the reporting period, please refer to Note 35 "Events after the reporting period" in the notes to the consolidated financial statements as of December 31, 2023.

5. Risk and Opportunity report

5.1. Risk report

Risks	Probability of occurrence	Extent of the risk	Significance of the risk
War in Ukraine	high	low	low
IT, Data Privacy, Cyber Risks	medium	medium	medium
Legal and Tax risks	medium	medium	medium
Market and economy	medium	medium	medium
Product and development	medium	low	low
Accreditation	low	high	low
University size	medium	medium	medium
Liquidity	low	low	low
Process	low	low	low
Competitors	low	medium	low
Credit	low	medium	high
Interest	medium	medium	medium
Geographical expansion	low	medium	medium

The forecast period comprises 12 months after release of the consolidated financial statements by the management in August 2024.

Below, all significant risks are listed and qualitatively assessed.

5.1.1. **Risk management**

Continuous risk assessment and structured sharing of the information is done regularly at IU Group and is a permanent coordination task within the management. All major risks are regularly recorded, discussed, and classified in the board meetings with the investor.

5.1.2. **War in Ukraine**

Current war in Ukraine represents a low risk for IU Group as only few students are coming from the Ukraine or Russia. As a mainly digital business supply chain risks linked to the Ukraine war are also limited.

5.1.3. **IT, Data Privacy, Cyber Risks**

IU Group faces risks regarding the functioning of its IT systems both regarding internal and customer facing processes. Hacking attacks could lead to a breach of data privacy and an outage of its online platform.
IU counters these risks by using standard cloud software (e.g. Salesforce, Workday), by educating employees by simulating phishing attacks and by subsequent training courses. An external law firm is supporting IU's data protection measures on a monthly basis. Cyber risks are minimized by engaging white hat hackers to perform penetrations tests of its systems and by developing measures to improve systems security.

5.1.4. **Legal & Tax Risks**

IU Group identified its legal risks in a legal due diligence. Legal risks in general can arise from disputes with students, (former) employees, government bodies and investors. IU regularly takes steps to minimize these risks. As a result, the aggregate of all its legal risks currently presents a medium level of risk, which is not considered to be a material threat to the company at this stage.
The management of IU Group has comprehensively assessed the potential financial impacts of current and possible future legal disputes related to the architecture degree programs which are provided of IU Internationale Hochschule GmbH. Recognizing the inherent risk and in accordance with the principle of prudence, management has decided to establish appropriate provisions and liabilities amounting to EUR 6,455 thousand. The amount of the provisions and liabilities has been carefully determined based on our risk assessments and using conservative valuation standards to safeguard our company against potential financial obligations. This approach underscores our commitment to responsible and transparent risk management and reporting practices. However, should these disputes progress adversely, there is a possibility that the actual liabilities may exceed our initial estimates. In such cases, enhancing our reserves and maintaining vigilant oversight will be crucial to managing these risks effectively and upholding our standards for meticulous financial oversight and transparency.
The IU Group NV also monitors the application of the tax authorities' interpretation, legislation and evolution of case law (e.g., referral to the CJEU by the German Federal Finance Court in case V R 20/22) in the field of VAT group taxation, as divergent developments could pose risks for IU Group NV

5.1.5. **Market and economy**

A potential economic downturn could impact IU Group's sales and earnings in the medium to long term due to the long-term nature of most study programs. This allows for the early implementation of cost-saving countermeasures. In the On Campus segment, prospective students might opt for public providers or vocational training due to better compensation. In the B2C segments, growth could decelerate due to a large market share, and the introduction of more online or blended courses by public universities could lead to a decrease in applicants due to different cost structures. The overall risk of a decline in applicants is considered medium over the medium to long term. The recent sharp increase in inflation is factored into our planning, with single-digit inflation covered by automatic price increases in the On Campus segment and regular price adjustments for new students in the B2C segments to offset inflationary pressures.

5.1.6. **Product and development**

Product and development risks at IU Group are mitigated through a multi-component strategy, enabling cost-effective preliminary testing of new B2C study courses online before potentially expanding them into the On Campus and physical B2C segments. Emulating industry-leading practices, we integrate advanced AI technologies to enhance course effectiveness and student interaction during these pilot phases. The university's scale supports significant investments in new technologies, maintaining its competitive edge. With the university's growth, maintaining academic quality and student satisfaction necessitates the recruitment of sufficient full-time academic staff for new courses. Consequently, product and development risks are considered low.

5.1.7. **Accreditation**

The operation of a private university in Germany mandates accreditation by the Science Council. IU Internationale Hochschule was successfully re-accredited in 2021 for another five years. Future efforts include expanding research activities with the aim of achieving permanent accreditation. Moreover, the risk of losing accreditation in the UK and Canada is assessed as low and not material, which solidifies the operational stability in these regions. Consequently, this going-concern risk remains low. Continuing to invest in compliance and maintaining active dialogue with accrediting agencies will ensure ongoing accreditation and adaptability to evolving educational standards.

5.1.8. **University size**

Due to the increased university size, there is a risk of an attack by competitors on the business as well as negative media coverage. This risk is assessed as medium.

5.1.9. **Liquidity**

Through the implementation of regular liquidity forecasting, monthly cash flow planning up to the end of the financial year, and monthly plan-to-actual reconciliations, as well as long-term structuring of external financing and revolving credit facility agreements for short-term capital requirements, liquidity risks are identified at an early stage. Consequently, the associated risk can be considered low.

5.1.10. **Process**

All educational programs are managed by comprehensive quality control and mainly accredited by external agencies. This ensures that errors in the operating core business are promptly detected and remedied or minimized by taking appropriate measures. All educational programs, the efficiency of which is verified by the relevant academic bodies, are managed by comprehensive quality control, and mainly accredited by external agencies. This ensures that optimization needs in the operating core business are promptly identified and remedied or minimized by taking appropriate measures. Overall, the educational programs are characterized by consistently high levels of participant satisfaction, which results in a low churn rate (termination by students) before their graduation. The risk of a stronger customer churn is to be regarded as medium and would lead to a decline in sales.
Due to the strong growth, there is a risk that it may not be possible to recruit sufficient internal staff and external lecturers. Should the recruitment efforts not be successful, new programs will start later. The risk is low as, due to the uncertain economic situation, the situation on the labor market is tight and we should therefore receive sufficient applications. The risk is regarded as low.

Furthermore, in some cases there could be a risk that external parties (e g. specific chambers of professions) will not accept the qualifications of IU students for specific professions. However, this risk is regarded as low.

5.1.11. **Competitors**

The risk of new competitors is low since high market entry barriers exist (accreditation). The overlap with the offer of traditional universities is expected to remain low as these barely focus on our B2C business and, except for Baden-Wuerttemberg, on our On Campus business. Should a technology provider acquire an accredited facility and invest high marketing spending, the market share of IU Internationale Hochschule could come under pressure; currently such a development is not foreseeable. The risk is regarded as low.

5.1.12. Credit

Financial instruments that potentially subject IU Group to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. For cash IU Group is exposed to credit risk in the event of default by the financial institutions to the extent the amounts recorded on the accompanying consolidated balance sheets are more than the German federal insurance limits.

IU Group generally does not require collateral or other security in support of accounts receivable. To reduce credit risk, management performs ongoing evaluations of its customers' financial condition and maintains an allowance based upon expected credit losses of outstanding receivables.

5.1.13. **Interest**

IU Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities. IU Group's interest rate risks mainly result from Group financing and from interest rate risk arising from variable-interest liabilities.

To limit the risk of rising interest rates from interest bearing liabilities, the Group has entered an interest rate cap in the same amount as the external loan.

5.1.14. Geographical Expansion

The strategic acquisitions of LIBF and UFred are instrumental in IU Group's ongoing geographical expansion, intended to enrich and diversify our educational offerings while stabilizing revenue streams in the face of market volatility. These initiatives leverage our platform's capabilities to deploy international degrees, with initial integrations showing promising outcomes. While these new segments are smaller compared to our main operations in Germany, the associated risks are manageable, primarily involving strategic reallocation of resources which may result in opportunity costs. However, their contribution to broadening our educational reach and reinforcing revenue stability underscores their value, making these ventures generally low-risk and likely to provide substantial benefits in enhancing our global educational impact.

5.2. Opportunity report

Opportunities	**Probability of occurrence**	**Extent of the opportunity**	**Significance of the opportunity**
Market and economy	medium	medium	medium
Product and development	high	high	high
Accreditation	medium	medium	medium
Geographical expansion	high	high	high

The forecast period comprises 12 months after release of the consolidated financial statements by the management in August 2024.

5.2.1. **Opportunity management**

Continuous opportunity assessment and structured sharing of the information goes without saying for the IU Group and is a permanent coordination task within the management. All major opportunities are regularly recorded and discussed in the board meetings with the investor.

5.2.2. Market and economy

In the face of rising global inflation, education is increasingly recognized as a valuable investment, with individuals seeking to enhance their qualifications to secure higher salaries. This perception could boost demand for IU Group's educational offerings, classifying this as a medium opportunity. Further, our strategic initiatives to expand into global markets are poised to attract new customer segments, enhancing our growth prospects.

5.2.3. Product and development

It is planned to design the study courses also for other European countries, which would have a positive effect on the number of applicants. Moreover, the development plan of the university aims at even stronger recruiting more international students in the future. Furthermore, individual courses shall be sold to corporate customers through upskilling, and to jobseekers via educational vouchers. Furthermore, IU Group is actively working on additional acquisitions in the top higher education countries to co-develop new online degree programs that will be offered through our partners as part of the group's multiband platform strategy. The opportunity is assessed as high.

5.2.4. Accreditation

By acquiring or purchasing a teaching license in other geographies, students in the B2C segment could be offered the possibility to obtain dual degrees, which would thus become more attractive for a larger target group. The opportunity is assessed as medium.

5.2.5. Geographical expansion

In addition to developing countries already approached to some extent, non-German speaking industrial countries could also become interesting markets for IU Internationale Hochschule primarily in the B2C business. Following our recent strategic acquisitions aimed at strengthening our international presence, we are implementing new programs across these markets. These initiatives are still scaling up, and while they currently represent a smaller proportion of our operations compared to our established markets, they are expected to contribute significantly to our growth trajectory. The potential for IU Group to capitalize on these developments is rated as high.

6. Forecast report

The forecast period covers 12 months after the balance sheet date, December 31, 2023. For 2024, IU Group assumes a stable overall business environment. For B2C and On Campus segments a strong increase in intake and student numbers is expected.

In 2024, IU Group anticipates for the relevant KPIs (sales revenues and number of students) a low double-digit growth compared to previous year. For the operating cash flow, we expect a mid-double digit growth compared to previous year. Further, the adjusted EBITDA will show a slightly higher low double- digit growth due to economies of scale and efficiency improvements.

Overall, the 1st half of 2024 shows a very positive business development; management assumes that the expected results will be achieved.

Brussels, August 23, 2024

IU Group N.V., Brussels/Belgium
The Management

Dr. Sven Schütt	Marvin Lange	Mattias Reithmeyer
Managing Director	Managing Director	Managing Director