Eleving GROUP

Unaudited results
for the six months
ended 30 June 2022

Content

6 months at a glance

350 000+
Total Number of Customers

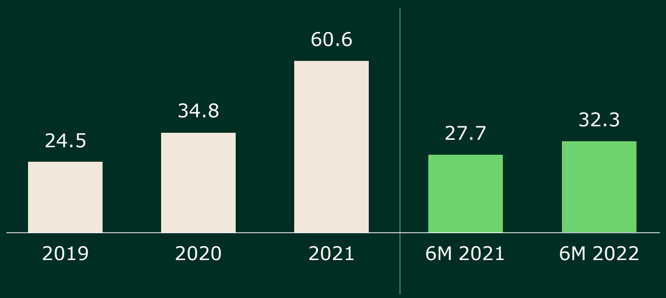
EUR 32.3 mln[1]
EBITDA, 6M 2022

EUR 275.8 mln
Vehicle and Consumer Financing Portfolio

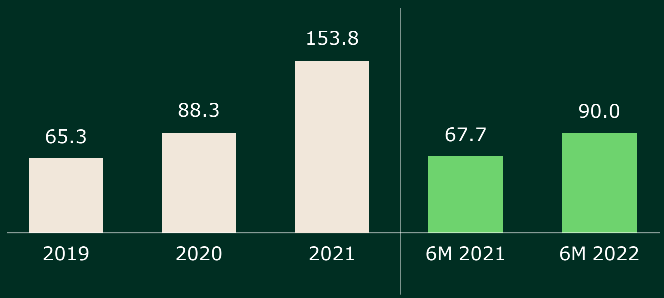
EUR 90.0 mln[2]
Revenues, 6M 2022

Exceptional six-month EBITDA[1] – EUR 32.3 mln

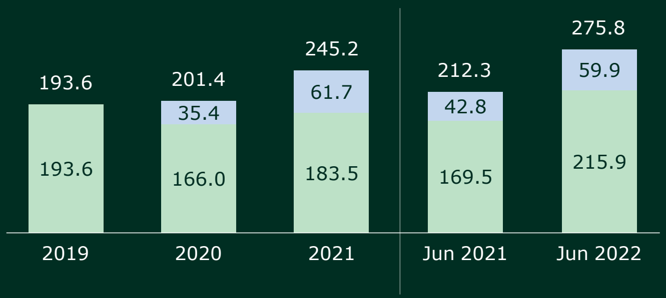
EBITDA, EUR mln[1]



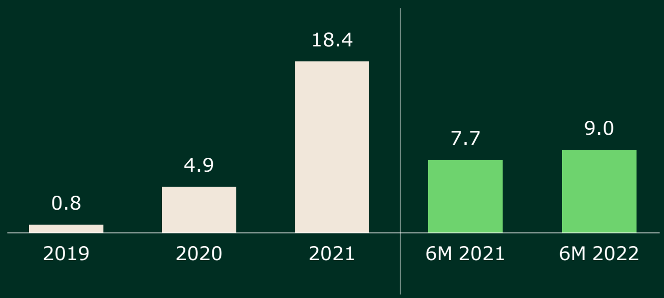
Revenue, EUR mln[2]



Net portfolio, EUR mln



Net profit before FX, EUR mln[3]



[1] 2020 EBITDA adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 2021 EBITDA adjusted with an increase by one-ff costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. 6M 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain from acquisitionsEUR 1.8 mln; (b) loss resulting from subsidiary write-off EUR 0.4 mln.

[2] Adjusted with fair value gain on acquisition in 2020 from portfolio in the amount of EUR 3.4 mln and subsequent amortization of portfolio gain in 2021 in the amount of EUR 3.2 mln and EUR 1.8 mln in 6M 2021.

[3] 2020 adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 2021 adjusted with an increase by one-ff costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. 6M 2021 adjusted with an increase by one-off costs of: (a) amortization of fair value gain from acquisitions EUR 1.8 mln; (b) loss resulting from subsidiary write-off EUR 0.4 mln.

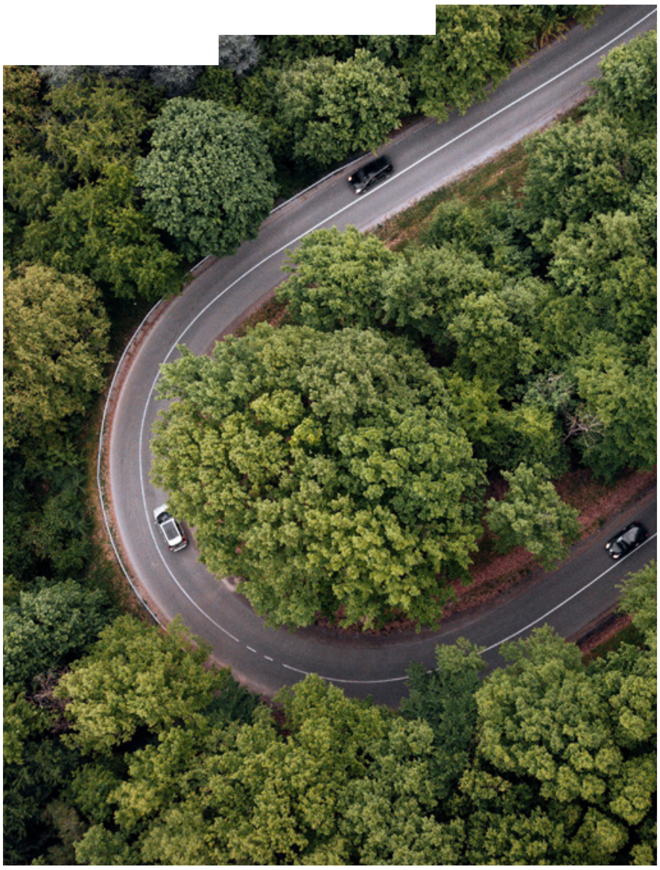
Sustained growth while maintaining exceptional profitability

Operational and Strategic Highlights

- Amid its 10th anniversary, the Group continues to demonstrate robust financial performance and deliver on its previously approved strategy as revenues have hit an all-time six-month high and the net portfolio has seen 6.0% q-o-q growth, totaling EUR 275.8 mln.
- Continued diversification of business operations and a balanced revenue stream from all three core business lines:
    - Flexible lease and subscription-based products contributed EUR 23.5 mln to 6M 2022 revenues—up by 142.3% compared to 6M 2021 and up by 23.8% q-o-q. The key revenue drivers were strong performance in productive lending in the motorcycle-taxi segment in East Africa and a successful scale-up of rental and subscription-based products in the Baltics;
    - Traditional lease and leaseback products contributed EUR 31.5 mln to 6M 2022 revenues—up by 30.7% compared to 6M 2021 and up by 5.9% q-o-q. Quarterly revenue growth mainly stemmed from incremental portfolio growth in nearly all of the Group's markets;
    - Revenues from the consumer loan segment contributed EUR 31.0 mln to 6M 2022 revenues—up by 8.8% compared to 6M 2021, but a 25.8% decrease q-o-q. The negative trend in consumer loan revenues was mainly driven by the run-down of the Ukrainian portfolio.
- Eleving Group has taken another important step towards becoming a significant player in the mobility market by co-launching OX Drive, an electrical car-sharing product in Latvia. The OX Drive mobile app was launched in June 2022 and its fleet comprised 43 Tesla Model 3 vehicles. The company plans to increase the fleet to around 100 cars by the end of the year. Within the first weeks of operations, OX Drive achieved close to 10k app downloads with an exceptional utilization ratio.
- During Q2, Eleving Group has continued its path towards a more sustainable future and has achieved several milestones in line with its ESG strategic objectives:
    - Eleving Group has received a Carbon Neutral Company Certificate by participating in emissions offsetting projects in Kenya and Uganda. In Kenya the reforestation of Great Rift Valley was co-financed, while in Uganda the Group co-financed the purchase of effective household cookstoves in the Up Energy Improved Cookstoves program;
    - Eleving Group has joined the Zero Tolerance Against Corruption initiative organized by Transparency International Latvia and CSR Latvia.

Financial Highlights and Progress

- Solid profitability as evidenced by:
    - EBITDA of EUR 32.3 mln (6M 2021: EUR 27.7 mln);
    - Net Profit before FX of EUR 9.0 mln (6M 2021: EUR 5.5 mln);
    - Net Profit after FX of EUR 7.4 mln (6M 2021: EUR 5.6 mln).
- Record-high net portfolio of EUR 275.8 mln, EUR 15.7 mln increase q-o-q; Eleving Vehicle Finance and Eleving Consumer Finance accounted for EUR 215.9 mln and EUR 59.9 mln, respectively.
- The Group has successfully continued to decrease its relative operational cost base as evidenced by the 4.1 p.p. drop in the cost-to-income ratio (excl. impairment expense) in 6M 2022 compared to 6M 2021. Moreover, facing an inflationary environment, the Group will look to become even more cost-efficient moving forward.
- Fitch Ratings has affirmed our long-term Issuer Default Rating (IDR) and senior secured debt rating to "B-". The outlook on the long-term IDR is Stable.
- Sufficient capitalization as capitalization ratio stood at 23.0% (31 December 2021: 20.7%), providing an adequate and stable headroom for Eurobond covenants.



Comment from Eleving Group CEO and CFO

Modestas Sudnius
CEO of Eleving Group

While there is a lot of uncertainty in the world and capital markets, Eleving Group continues to demonstrate stable performance. The Group's portfolio and revenue continued to grow in the first half of this year while the company carried on executing its strategy. That has produced strong financial results with the best 6M profitability.

We see strong performance from our resilient products and have increased our adjusted revenue and EBITDA, as well as net profit and net portfolio, compared to the same period last year. Keeping that in mind, we are cautious about various signals of an economic slowdown initiated by the geopolitical and economic situation in Europe, such as inflation, rising costs of energy resources, and the overall sentiment in the economy.

As expected, the above factors are first affecting developing countries, and we already see signs of an economic slowdown in our African markets, where our products have become a staple in supporting mobility in Kenya and Uganda. Nonetheless, we are successfully able to absorb a slight decrease in the clients' payment discipline while we keep our focus on restructuring and efficient repossession and collateral sales processes. The portfolio performance is continuously stable in our most developed markets in Eastern Europe, Baltic States, and the Caucasus.

Our strategic advantage lies in business diversification, meaning that the business risks are distributed across 13 markets on three continents; this has helped the company to successfully absorb external shocks without impeding the Group's performance.

Given the current economic reality, our primary goal in the second half of the year will be to focus on our existing most developed products and geographies. For new projects and products, we are taking a more conservative approach and putting most of them on pause.

Several significant achievements have been made in the field of ESG. In Q2, Eleving Group received a Carbon Neutral Certificate from Carbon Footprint Ltd. It means that we have fully compensated our carbon footprint for this year. Simultaneously, Eleving Group has become the sixth participant of the 'Zero Tolerance Against Corruption' initiative. As a result, we have improved our internal anti-corruption, anti-bribery, and anti-fraud policies.

The first six months have further strengthened the company's financial standing in the face of any potential external challenges; hence, considering all known unknowns, we are becoming more cautious in our decision-making, especially regarding our countries and product portfolio.

As we have successfully raised the latest Eurobond (EUR 150 mln, listed in Frankfurt) in 2021 and refinanced our outstanding bond in Latvia (EUR 30 mln, listed in Baltics) during the same year, we have secured significantly more favorable funding conditions than those currently available in the capital markets. Additionally, our borrowings maturity profile has now been extended beyond next year, with Latvian unsecured bonds repayable in 2024 and Eurobonds repayable in 2026. Moreover, during the last days of 2021, we have also issued our inaugural subordinated bond in the total amount of EUR 25 mln maturing in 2031, which is currently listed on both Frankfurt's and Baltic Stock Exchanges.

Our achievements in securing favorable long-term financing, together with the progress made towards improving the asset quality of the company's balance sheet, have recently been positively assessed by Fitch Ratings, and the Group has received a rating reaffirmation at B- with a stable outlook.

To better prepare the Group for any possible turbulences in the future, we are slightly adjusting our strategy—slowing down the pace of new product and market launches. Our primary focus lies on products with the best return characteristics. We believe that the efficiency of the portfolio and our operations in the following months will be crucial.

Eleving Group has a well-functioning vertical product cycle in place that allows us to utilize a vehicle throughout all its value chain – acquiring brand new vehicles and keeping them in our portfolio for ten years, to be further used for car-sharing, subscription, near-prime vehicle financing, and financing through our traditional products.

Māris Kreics
CFO of Eleving Group

Outlook - Products & Strategy

To become an ultimate mobility platform

	Mobility					Inclusion
	Financing		Flexible lease and subscription			Consumer lending
Products & services	mogo Vehicle leasing for pre-owned cars	primero Premium vehicle leasing for pre-owned cars	Renti plus RENTI Rent-to-buy & subscription services for ultimate flexibility	Boda loans mogo Motorcycle taxi loans in emerging markets[1]	OX **New:** electric car sharing product[2]	Kredo.al Tigo.mk Sebo.md INSTA FINANCE Consumer loan products available online and through branch networks
Product strategy	Maintain organic growth in existing markets	Product rollout across the Group's European markets	Product rollout across the Group's European markets	Maintain organic growth, with new marketpossible launch in 2023	Launch and scale the new product in the Baltics	Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs
Adjusted product strategy[3]	Maintain organic growth in existing markets, issuances in Finland on short-term pause, Belarus operations on-hold	Maintain organic growth in existing markets, with the further rollout of the product to other markets on short-term pause	Maintain organic growth in existing markets, with the further rollout of the product to other markets on short-term pause	Maintain organic growth in existing markets, with expansion plans on short-term pause	Launch and scale of a new product in the Latvian market	Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs, portfolio run down in Ukraine

Processes

Further **automation** of loan issuances and underwriting processes for seamless customer experience and efficient resource allocation

Further development of **sales channels**:

- Launch of updated car portal across all Vehicle Finance markets
- Upgrade partners (POS/Dealerships) sales tools

Capital management

Continuous i**mprovement in financial** covenants — Interest coverage ratio (ICR), Net leverage ratio and Capitalization ratio and target rating upgrade

Exploring routes for **attracting outside equity**

Significantly **decrease exposure** in Ukraine and Belarus

Social impact

Development of financial literacy program for Group's markets by the mid Q4

Definition of a **clear Code of Business Conduct and Ethics** to serve as a guideline for all subsidiaries in business-related processes

Implementation of a **re-onboarding program for employees** returning from maternity leave

[1] Kenya and Uganda.

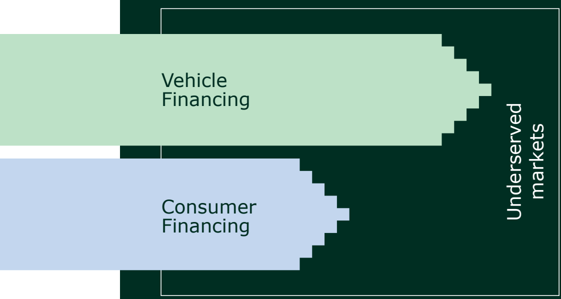
[2] Electrical car-sharing product was launched in late Q2 2022.

[3] The Group has made several adjustments to product strategy in response to changing economic environment, with majority of adjustments having a short-term nature.

About Eleving Group

Our approach

Our approach to business is to identify underserved markets and disrupt them with innovative and sustainable financial solutions both in the vehicle and consumer financing segments.

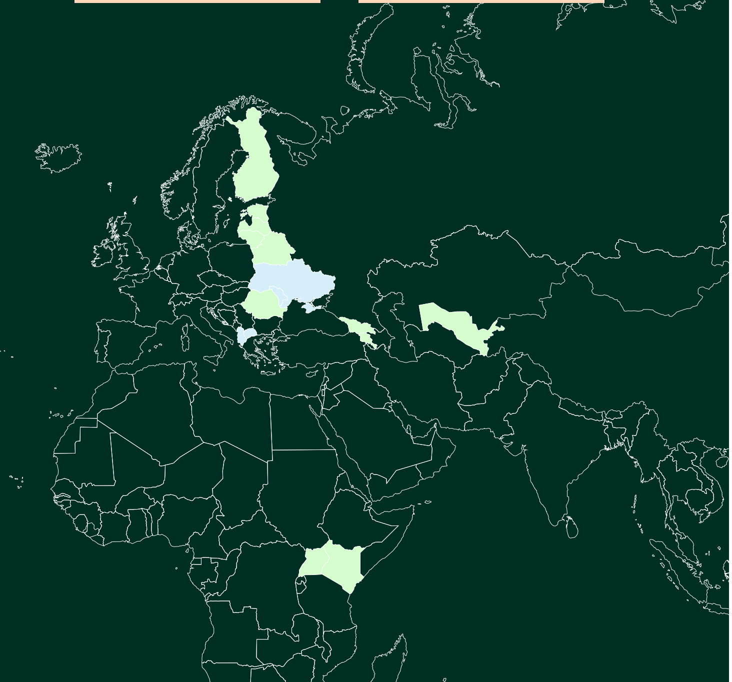


Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with more than 2 600 employees and 350 000 loyal customers.

Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 13 countries across 3 continents.



Conference call

On 17 August

A conference call in English with the Group's management team to discuss these results is scheduled for 17 August 2022, at 15:00 CET.

Contact

Māris Kreics
Chief Financial Officer (CFO)
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Conference call access information

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the six months period ended 30 June 2021 and 30 June 2022.

in EUR million	6M 2021	6M 2022	% change
Interest and similar income	58.9	83.3	41.4%
Interest expense and similar expenses	(14.4)	(14.6)	1.4%
Net interest income	**44.5**	**68.7**	**54.4%**
Income from used vehicle rent	3.4	2.7	-20.6%
Impairment expense	(16.3)	(26.3)	61.3%
Operating expense and income	(23.9)	(31.4)	31.4%
Net foreign exchange result	0.1	(1.6)	nm
Profit before tax	**7.8**	**12.1**	**55.1%**
Corporate income tax	(2.2)	(4.7)	113.6%
Net profit for the period without FX and discontinued operations	5.5	9.0	63.6%
Net profit for the period	**5.6**	**7.4**	**32.1%**

Interest, similar income and income from vehicle rental

in EUR million	6M 2021	6M 2022	% change
Flexible and subscription based products	**9.7**	**23.5**	**142.3%**
Interest and similar income	6.3	20.7	228.6%
Rental income	3.4	2.7	-20.6%
Other	-	0.1	nm
Traditional lease and leaseback products	**24.1**	**31.5**	**30.7%**
Interest and similar income	24.1	31.5	30.7%
Consumer lending products	**28.5**	**31.0**	**8.8%**
Interest and similar income	28.5	31.0	8.8%
Average net loan and used vehicle rent portfolio	**207.0**	**260.5**	**25.8%**
Average income yield on net loan and used vehicle rent portfolio	**60.2%**	**66.0%**	**5.8 p.p.**

Interest, similar income and income from used vehicle rent for the period increased by 38.0% to EUR 86.0 million (6M 2021: EUR 62.3 million) reflecting the growth in the average net loan and used vehicle rent portfolio by 25.8% to EUR 260.5 million (6M 2021: EUR 207.0 million) and continuous focus on highest-yielding markets and products.

Interest expense and similar expense

Despite the increase in total borrowings to EUR 258.8 million (30 June 2021: EUR 219.0 million), interest expense and similar expense remained relatively unchanged compared to the corresponding period in 2021 and amounted EUR 14.6 million.

Income from used vehicle rent

Income from used vehicle rent decreased by 20.6% to EUR 2.7 million (6M 2021: EUR 3.4 million). The total used vehicle rental fleet in Latvia remained stable and stood at EUR 10.7 million (31 December 2021: EUR 10.7 million).

Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables increased by 94.1% to EUR 9.9 million (6M 2021: 5.1 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 6% (conservative 35+ days past due) of the net portfolio (31 December 2021: 5%), the provision coverage ratio was 89% (31 December 2021: 93%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables consolidated as of 30 June 2022 amounted to EUR 48.4 million (6M 2021: 23.9). The NPL ratio (Net NPL / Total net portfolio) amounted to 6% (90+ days past due) of the net portfolio (31 December 2021: 4%), the provision coverage ratio was 146% (31 December 2021: 144%).

Operating expense

The table below sets out a breakdown of the Group's total operating expenses.

in EUR million	6M 2021	6M 2022	% change
Employees' salaries	12.1	16.1	33.1%
Marketing expenses	2.8	3.9	39.3%
Office and branch maintenance expenses	0.9	1.2	33.3%
Professional services	1.5	1.3	-13.3%
Amortization and depreciation	3.5	4.0	14.3%
Other operating income/(expenses)	3.1	4.9	58.1%
Total operating expense	**23.9**	**31.4**	**31.4%**

Total operating expenses increased by 31.4% to EUR 31.4 million (6M 2021: EUR 23.9 million) as a result of net loan portfolio growth. Salaries increased by 33.1% to EUR 16.1 million (6M 2021: EUR 12.1 million), comprising 51.3% of total operating expenses (6M 2021: 50.6%). Marketing expenses, with effective costs of EUR 13 per loan issued, accounted for 12.4% of total operating expenses (6M 2021: 11.7%).

Profit before tax

The consolidated profit before taxes amounted to EUR 12.1 million (6M 2021: EUR 7.8 million).

Corporate income tax

The following table sets out a breakdown of the Group's corporate income tax.

in EUR million	6M 2021	6M 2022	% change
Corporate income tax	(3.0)	(5.8)	93.3%
Deferred tax	0.8	1.1	37.5%
Total corporate income tax	**(2.2)**	**(4.7)**	**113.6%**

Profit for the period

The Group's net profit for the period was EUR 7.4 million (6M 2021: EUR 5.6 million).

Alternative performance measures (non-IFRS)

in EUR million	6M 2021	6M 2022	% change
Profit for the period	5.6	7.4	32.1%
Provisions for taxes	2.2	4.7	113.6%
Interest expense	14.4	14.6	1.4%
Depreciation and amortization	3.5	4.0	14.3%
Currency exchange loss	(0.1)	1.6	nm
EBITDA	**25.6**	**32.3**	**26.2%**
Amortization of acquisitions' fair value gain	1.8	-	nm
(Gain)/Loss from subsidiary sale	0.4	-	nm
Adjusted EBITDA	**27.7**	**32.3**	**16.6%**

Condensed consolidated balance sheet

The table below sets out the Group's condensed consolidated statement of its financial position.

in EUR million	31 Dec. 2021	30 Jun. 2022
Intangible assets	14.4	15.0
Tangible assets	12.2	14.3
Loans and lease receivables and rental fleet	245.2	275.8
Deferred tax asset	2.8	4.4
Inventories	3.8	4.0
Non-current assets held for sale	2.4	1.4
Other receivables	12.8	15.6
Assets of subsidiary held for sale	12.9	14.4
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to 3rd parties	1.1	-
Cash and cash equivalents	10.1	13.2
Total assets	**320.0**	**358.1**

in EUR million	31 Dec. 2021	30 Jun. 2022
Share capital and reserves	1.8	1.8
Foreign currency translation reserve	0.2	3.7
Retained earnings	22.3	27.5
Non-controlling interests	7.1	9.1
Subordinated debt	17.3	19.0
Total equity	**48.7**	**61.1**
Borrowings	241.6	258.8
Other liabilities	29.7	38.2
Total liabilities	**271.3**	**297.0**
Total equity and liabilities	**320.0**	**358.1**

Assets

Total assets of the Group increased by 11.9% to EUR 342.4 million (31 December 2021: EUR 320.0 million), reflecting an increase in the net loan and used vehicle rent portfolio.

Tangible assets

Tangible assets increased by 17.2% to EUR 14.3 million (31 December 2021: EUR 12.2 million).

Net loan and used vehicle rent portfolio

The net loan and used vehicle rental portfolio increased by 12.5% to EUR 275.8 million (31 December 2021: EUR 245.2 million).

Net loan and used vehicle rent portfolio

in EUR million	31 Dec. 2021	Total share (%)	30 Jun. 2022	Total share (%)
Developed countries*	123.2	50.2%	130.4	47.3%
Developing countries**	59.2	24.1%	85.5	31.0%
Consumer loan markets	61.4	25.0%	59.9	21.7%
Countries on hold***	1.4	0.6%	-	0.0%
Total net loan and used vehicle rent portfolio	**245.2**	**100.0%**	**275.8**	**100.0%**

* Developed countries are Latvia (including used vehicle rent portfolio), Lithuania, Estonia, Belarus, Romania, Moldova, Georgia and Armenia.

** Developing countries are Uzbekistan, Kenya and Uganda.

*** Countries on hold are Bosnia and Herzegovina, and Poland.

Net loan portfolio split by product type

in EUR million	31 Dec. 2021	Total share (%)	30 Jun. 2022	Total share (%)
Flexible and subscription based products	53.6	21.9%	72.8	26.4%
Traditional lease and leaseback products	130.2	53.1%	143.1	51.9%
Consumer lending products	61.4	25.0%	59.9	21.7%
Total net loan portfolio split by product type	**245.2**	**100.0%**	**275.8**	**100.0%**

With the legacy markets rationalized, the developing markets such as Kenya and Uganda continue to establish themselves as ones of key drivers of the future portfolio growth.

The Group is also capitalizing on recent consumer trends and gradually rolling out flexible lease and subscription-based products that comprised 26.4% of the total net loan portfolio as at 30 June 2022.

The consumer loan's portfolio stood at 21.7% from total net loan portfolio, which is in line with Group’s long term strategy regarding its net loan portfolio composition.

The following table sets out the classification of the Group's net loan and used vehicle rent portfolio (excluding consumer lending) in terms of overdue buckets as well as the total impairment coverage ratio.

Net loan and used vehicle rent portfolio (excluding consumer loans)

in EUR million	31 Dec. 2021	Total share (%)	30 Jun. 2022	Total share (%)
STAGE 1*	150.5	86.9%	168.3	82.0%
STAGE 2**	14.9	8.6%	24.1	11.7%
STAGE 3***	7.7	4.4%	12.8	6.2%
Total net loan portfolio	**173.1**	**100%**	**205.2**	**100%**
Used vehicle rent	10.7	5.8%	10.7	5.0%
Total net loan and used vehicle rent portfolio	**183.8**		**215.9**	
Net NPL ratio****	**4.5%**		**6.2%**	
Impairment coverage ratio*****	**93.0%**		**88.5%**	

* Allowances are recognized based on 12m ECLs by first recognition of loans/leases. Leases current or with up to 30 DPD are considered as Stage 1 for Latvia, Lithuania, Estonia, Armenia and Georgia. For other countries, 25 DPD is used. Loans up to 30 DPD are considered Stage 1.

** Allowances are recorded for LTECLs by loans/leases showing a significant increase in credit risk since origination. Leases with 31-60 DPD (or 26-34 DPD for countries other than Latvia, Lithuania, Estonia, Armenia and Georgia) are considered to be Stage 2 loans. Loans with 30 to 60 DPD are considered Stage 2.

*** Leases and loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Finance lease agreements are considered defaulted and therefore Stage 3 with 60 DPD on contractual payments or terminated lease agreement. For countries other than Latvia, Lithuania, Estonia, Armenia and Georgia a 35 DPD backstop is applied. Loans with 60 DPD are considered defaulted and therefore Stage 3.

A healing period of 3 months for mature countries and 2 months for immature countries is applied before an exposure previously classified as Stage 3 can be transferred to Stage 1. In case of mature countries, it is determined to have two healing periods – one month period to Stage 2 and further two month period to Stage 1. This is considered appropriate in context of a prudent default definition of 60 DPD. In case of immature countries, it is determined to have one healing period –two month period where the exposure is in Stage 2 and then transfers to Stage 1. This is considered appropriate in context of an even more conservative default definition of 35 DPD.

**** Net NPL (35+ days overdue) / Total net portfolio.

***** Total impairment / Gross NPL (35+ days overdue).

NPLs in the net loan portfolio increased to 6.2% of the total net portfolio (31 December 2021: 4.5%).

The following table sets out the classification of the Group's consumer lending portfolio in terms of overdue buckets as well as the total impairment coverage ratio.

Net consumer loan portfolio

in EUR million	31 Dec. 2021	Total share (%)	30 Jun. 2022	Total share (%)
STAGE 1*	57.6	93.8%	54.1	90.3%
STAGE 2**	1.4	2.3%	2.5	4.2%
STAGE 3***	2.4	3.9%	3.3	5.5%
Total net loan portfolio	**61.4**	**100%**	**59.9**	**100%**
Net NPL ratio******	**3.8%**		**5.5%**	
Impairment coverage ratio*********	**143.9%**		**145.6%**	

* Allowances are recognized based on 12m ECLs by first recognition of loans. Loans current or with up to 30 DPD are considered as Stage 1.

** Allowances are recorded for LTECLs by loans showing a significant increase in credit risk since origination. Loans with 31-90 DPD are considered to be Stage 2 loans.

*** Loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Loans with 90 DPD are considered defaulted and therefore Stage 3.

**** Net NPL (90+ days overdue) / Total net portfolio.

***** Total impairment / Gross NPL (90+ days overdue).

Equity

Total equity increased by 25.5% to EUR 61.1 million (31 December 2021: EUR 48.7 million). The capitalization ratio ended up at 23.0% (31 December 2021: 20.7%), providing good headroom for Eurobond covenants.

Liabilities

Total liabilities remained stable and stood at EUR 297.0 million (31 December 2021: EUR 271.3 million).

Loans and borrowings

The following table sets out loans and borrowings by type.

in EUR million	31 Dec. 2021	30 Jun. 2022
Loans from banks	7.6	17.2
Latvian Bonds	29.5	28.6
Eurobonds (excl. accrued interest)	142.2	146.8
Bonds acquisition costs and accrued interest	(2.4)	(2.0)
Financing received from P2P investors	62.3	66.5
Loans from other parties	2.4	1.7
Total loans and borrowings	**241.6**	**258.8**

Latvian bonds

On 1 March 2021, through public offering JSC "Mogo" successfully issued corporate bond (LV0000802452) in the amount of EUR 30 million, which from 31 March 2021 is listed on the regulated market – the Baltic Bond List of "Nasdaq Riga" stock exchange. The notes, with a minimum subscription amount of EUR 1 000 were issued at par, having a maturity of 3 years and carrying a fixed coupon of 11% per annum, paid monthly in arrears. The bonds were offered to existing Mogo bondholders and other retail and institutional investors from the Baltic region.

Eurobonds

On 29 December 2021, Eleving Group successfully issued a 5-year corporate bond (XS2393240887), listed on the Open Market of the Frankfurt Stock Exchange, at par with an annual interest rate of 9.5% and total amount of EUR 150 million. The bond will mature in October 2026. The previous corporate bond (XS1831877755) with an annual interest rate of 9.5% was fully repaid on 20 October 2021 following the issuance of the new corporate bond (XS2393240887).

Subordinated bonds

On 7 March 2022, Eleving Group bonds (XS2427362491) were admitted to trading on the Nasdaq Baltic First North Market. The size of the Eleving Group bond issue is EUR 25 million. The bonds have a nominal value of EUR 1 000 each and a floating annual coupon rate of 12% + 6 month EURIBOR, with interest paid monthly. They mature on December 29, 2031.

Off-balance sheet arrangements

The Group does not have significant off-balance sheet arrangements.

Condensed consolidated statement of cash flow

in EUR million	30 Jun. 2021	30 Jun. 2022
Profit before tax	9.7	11.5
Net cash flows to/from operating activities	(4.6)	(13.7)
Net cash flows to investing activities	1.1	(2.4)
Net cash flows from/to financing activities	2.1	19.2
Change in cash	(1.4)	3.1
Cash at the beginning of the year	9.3	10.1
Cash at the end of the year	7.9	13.2

The Group's net cash outflow from operating activities amounted to EUR (13.7) million (6M 2021: cash outflow EUR 4.6 million), net cash ouflow from investing activities totalled EUR (2.4) million (6M 2021: cash inflow EUR 1.1 million), while net cash inflow from financing activities equalled to EUR 19.2 million (6M 2021: cash inflow EUR 2.1 million).

Eurobond covenant ratios

Capitalization	31 Dec. 2021	30 Jun. 2022	Change (in % p.)
Equity/Net loan portfolio	20.7%	23.0%	2.3

Profitability	31 Dec. 2021	30 Jun. 2022	Change (in %)
Interest coverage ratio (ICR)	2.5	2.6	5.0%

Leverage	31 Dec. 2021	30 Jun. 2022	Change (in %)
Net leverage	3.8	3.8	0.0%

in EUR million	Mintos loans			Net loan and used vehicle rent portfolio			
Country	31 Dec. 2021	30 Jun. 2022	Change (%)	31 Dec. 2021	Total share (%)	30 Jun. 2022	Total share (%)
Armenia*	1.0	1.7	70.0%	9.9	5.4%	12.6	5.8%
Belarus*	10.0	6.7	-33.0%	19.3	10.5%	18.0	8.3%
Georgia*	4.2	4.0	-4.8%	14.1	7.7%	15.6	7.2%
Estonia (Renti+)	0.0	-	0.0%	-	0.0%	0.3	0.1%
Kenya**	1.4	3.9	178.6%	39.2	21.3%	57.3	26.5%
Latvia*	5.8	6.3	8.6%	16.6	9.0%	17.0	7.9%
Lithuania*	2.3	4.1	78.3%	25.3	13.8%	25.8	11.9%
Moldova*	5.5	6.7	21.8%	14.1	7.7%	14.9	6.9%
Romania*	10.6	13.3	25.5%	23.9	13.0%	26.2	12.1%
Uganda**	0.0	-	0.0%	13.4	7.3%	20.8	9.6%
Uzbekistan**	0.0	-	0.0%	6.6	3.6%	7.4	3.4%
Countries on hold***		-	0.0%	1.4	0.8%	-	0.0%
Total vehicle lease and rent	**40.8**	**46.7**	**14.5%**	**183.8**	**100%**	**215.9**	**100%**
Consumer loan markets	21.5	19.8	-7.9%	61.4	33.3%	59.9	21.7%
Total	**62.3**	**66.5**		**245.2**		**275.8**	

* Developed countries are Latvia (including used vehicle rent portfolio), Lithuania, Georgia, Romania, Moldova, Belarus and Armenia.

** Developing countries are Uzbekistan, Kenya and Uganda.

*** Countries on hold are Bosnia and Herzegovina and Poland.

Recent developments

No Regulatory Changes

No material regulatory changes have taken place since 30 June 2022.

Events after the balance sheet date

As of the last day of the reporting period until the date of publishing these unaudited results for the six months ended 30 June 2022 there have been no events requiring adjustment of unaudited results.

Directors' Statement

The consolidated six-month report of the Company is, to the best of the Directors' knowledge, prepared in accordance with the applicable set of accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.

The six-month management report of the Company includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Consolidated statements of:

Financial Position – Assets
Financial Position – Equity and Liabilities
Income Statement and Statement of Cash Flow

Consolidated Statement of Financial Position – Assets

in EUR million	31 Dec. 2021	30 Jun. 2022
Assets		
Goodwill	4.2	4.2
Internally generated intangible assets	7.5	8.5
Other intangible assets	2.7	2.3
Loans and lease receivables and rental fleet	245.2	275.8
Right-of-use assets	9.1	10.2
Property, plant and equipment	2.5	3.4
Leasehold improvements	0.6	0.7
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to third parties	1.1	-
Loans to related parties	4.1	3.5
Other financial assets	1.8	1.3
Deferred tax asset	2.8	4.4
Inventories	3.8	4.0
Prepaid expense	1.7	2.7
Trade receivables	0.7	0.5
Other receivables	4.5	7.6
Assets of subsidiary held for sale	12.9	14.4
Assets held for sale	2.4	1.4
Cash and cash equivalents	10.1	13.2
Total Assets	**320.0**	**358.1**

Consolidated Statement of Financial Position – Equity and liabilities

in EUR million	31 Dec. 2021	30 Jun. 2022
Equity		
Share capital	1.0	1.0
Retained earnings	22.3	27.5
Foreign currency translation reserve	0.2	3.7
Reserve	0.8	0.8
Total equity attributable to owners of the Company	**24.3**	**33.0**
Non-controlling interests	7.1	9.1
Subordinated debt	17.3	19.0
Total equity	**48.7**	**61.1**
Liabilities		
Borrowings	241.6	258.8
Provisions	0.1	0.1
Prepayments and other payments received from customers	0.9	1.1
Trade payables	2.7	2.5
Corporate income tax payable	3.7	4.4
Taxes payable	1.8	1.8
Other liabilities	10.1	14.9
Liabilities of subsidiary held for sale	6.1	8.8
Accrued liabilities	4.2	4.5
Other financial liabilities	0.1	0.1
Total liabilities	**271.3**	**297.0**
Total equity and liabilities	**320.0**	**358.1**

Consolidated Income Statement

in EUR million	6M 2021	6M 2022
Interest revenue calculated using the effective interest method	58.9	83.3
Interest expense calculated using the effective interest method	(14.4)	(14.6)
Net interest income	**44.5**	**68.7**
Fee and commission income	3.6	4.0
Revenue from rent	3.4	2.7
Total net revenue	**51.5**	**75.4**
Impairment expense	(16.3)	(26.3)
Expenses related to peer-to-peer platform services	(0.5)	(0.4)
Selling expense	(2.8)	(3.9)
Administrative expense	(23.1)	(29.9)
Other operating (expense) / income	(1.1)	(1.2)
Net foreign exchange result	0.1	(1.6)
Profit before tax	**7.8**	**12.1**
Corporate income tax	(3.0)	(5.8)
Deferred corporate income tax	0.8	1.1
Net profit for the period	**5.6**	**7.4**
Discontinued operations	1.8	(0.6)
Translation of financial information of foreign operations to presentation currency	0.4	3.5
Total comprehensive income for the period without FX	7.3	8.4
Total comprehensive income for the period	**7.8**	**10.3**

Consolidated statement of cash flow

in EUR million	30 Jun. 2021	30 Jun. 2022
Cash flows to/from operating activities		
Profit before tax	9.7	11.5
Adjustments for:		
Amortisation and depreciation	3.5	4.0
Interest expense	14.4	14.6
Interest income	(58.9)	(83.3)
Loss on disposal of property, plant and equipment	2.0	1.0
Impairment expense	15.3	26.3
Loss/(gain) from fluctuations of currency exchange rates	0.3	(1.9)
Operating profit before working capital changes	**(13.7)**	**(27.8)**
(Increase)/decrease in inventories	(1.3)	(0.3)
(Increase)/decrease in receivables	(32.1)	(49.3)
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.7	0.6
Cash generated to/from operating activities	(46.4)	(76.8)
Interest received	60.6	83.3
Interest paid	(16.8)	(15.0)
Corporate income tax paid	(2.0)	(5.2)
Net cash flows to/from operating activities	**(4.6)**	**(13.7)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(4.0)	(4.1)
Purchase of rental fleet	(2.4)	(3.1)
Loan repayments received	8.5	4.8
Loans issued	(1.0)	-
Net cash flows to/from investing activities	**1.1**	**(2.4)**
Cash flows to/from financing activities		
Proceeds from borrowings	150.2	88.9
Repayments for borrowings	(148.1)	(69.7)
Net cash flows to/from financing activities	**2.1**	**19.2**
Change in cash	(1.4)	3.1
Cash at the beginning of the period	9.3	10.1
Cash at the end of the period	**7.9**	**13.2**

Latvian operations only

Condensed financial information of JSC "Mogo" (consolidated)

Statement of Profit or Loss and Other Comprehensive Income (JSC "Mogo" (consolidated))

in EUR million	6M 2021	6M 2022
Interest revenue calculated using the effective interest method	3.9	3.6
Interest expense calculated using the effective interest method	(2.3)	(2.2)
Net interest income	**1.6**	**1.4**
Fee and commission income	0.2	0.1
Revenue from rent	3.4	2.6
Total net revenue	**5.2**	**4.1**
Impairment expense	0.6	(0.5)
Expenses related to peer-to-peer platforms services	(0.1)	-
Selling expense	(0.1)	(0.1)
Administrative expense	(3.0)	(2.7)
Other operating (expense) / income	0.8	0.2
Profit before tax	**3.4**	**1.0**
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	**3.4**	**1.0**

Consolidated Statement of Financial Position – Assets, Equity and liabilities (AS "Mogo" (consolidated))

in EUR million	31 Dec. 2021	30 Jun. 2022
Assets		
Loans and lease receivables and rental fleet	16.6	17.0
Loans to Eleving Group S.A.	35.6	37.1
Property, plant and equipment	0.8	0.9
Receivables from group companies	0.9	2.9
Other receivables	0.7	1.4
Prepaid expense	0.1	0.1
Cash and cash equivalents	0.4	0.6
Total assets	**55.1**	**60.0**

in EUR million	31 Dec. 2021	30 Jun. 2022
Equity		
Share capital	0.4	0.4
Other reserves	(1.8)	(1.8)
Retained earnings		
brought forward	10.2	15.9
for the period	5.6	1.0
Total equity	**14.4**	**15.5**
Liabilities		
Borrowings	37.8	41.2
Other provisions	1.8	1.6
Prepayments received from customers	0.1	0.1
Trade payables	0.1	0.7
Payables to related companies	0.4	0.3
Taxes payable	0.1	0.1
Accrued liabilities	0.4	0.5
Total liabilities	**40.7**	**44.5**
Total equity and liabilities	**55.1**	**60.0**

Glossary and important information

Definitions and alternative performance measures

- **Average income yield on net loan and used car rent portfolio** — the sum of annualized interest revenue calculated using the effective interest method and revenue from rent/average net loan and used car rent portfolio
- **Average net loan and used car rent portfolio** — the sum of net loan and used car rent portfolio as of the start and end of each period divided by two
- **Capitalization ratio** — equity (incl. subordinated debt)/net loan portfolio (excl. used car rent portfolio)
- **Cost/income ratio** — the sum of selling expense and administrative expense/sum of interest revenue calculated using the effective interest method, fee and commission income and revenue from rent
- **DPD** — days past due
- **EBITDA** — net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, and net foreign exchange result
- **ESG** — Environmental, Social, and Governance strategy
- **Flexible lease and subscription-based products** — motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, new vehicle subscription in Latvia
- **GROSS NON-PERFORMING LOANS (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables
- **Impairment coverage ratio** — total impairment/gross non-performing loans (NPLs)
- **Interest coverage ratio** — last twelve-month Adjusted EBITDA/ interest expense calculated using the effective interest method less Eurobonds acquisitions costs and subordinated debt interest expense
- **Net NPL ratio** — non-performing loans (NPLs)/total net portfolio
- **Non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables less impairment provisions
- **Net profit before FX effect** — net profit for the period before net foreign exchange result

Market definitions

- **Consumer finance markets** — Albania, North Macedonia, Moldova, Ukraine
- **Developed markets** — Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova, Belarus
- **Emerging markets** — Kenya, Uganda, Uzbekistan
- **On-hold markets** — Poland, Bosnia and Herzegovina

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