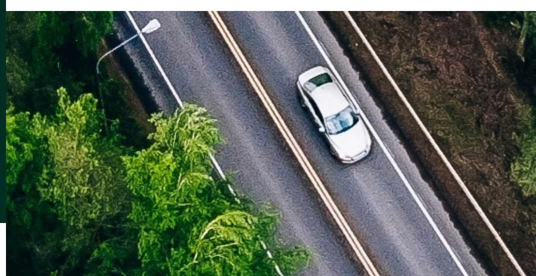
Eleving GROUP

Société Anonyme Eleving Group
(UNIFIED REGISTRATION NUMBER B 174.457)

Unaudited interim condensed consolidated financial statements

for the period ended 30 June 2022

PREPARED IN ACCORDANCE WITH IAS34
Luxembourg, 2022



Contents

General Information

Name of the Parent Company	Eleving Group
Legal status of the Parent Company	Société Anonyme
Unified registration number, place and date of registration	Luxembourg, 18 December 2012
Registered office	8-10 Avenue de la Gare, L-1610, Luxembourg

Major shareholders

	30.06.2022.
SIA AK Family Investments (Latvia)	43,59%
AS Novo Holdings (Latvia)	14,56%
LVS Limited (Malta)	14,56%
AS Obelo Capital (Latvia)	14,56%
Other shareholders	12,73%
TOTAL	**100,00%**

Directors

Modestas Sudnius (type A), from 09.03.2019
Māris Kreics (type A), from 25.07.2018
Delphine Glessinger (type B), from 14.09.2018
Attila Senig (type B), from 29.04.2020

Financial period

1 January - 30 June 2022

Directors' Report

Operational and Strategic Highlights

- Exceptional six-month EBITDA—EUR 32.3 mln

- 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—co-financing the reforestation of the Great Rift Valley; in Uganda—co-financing 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

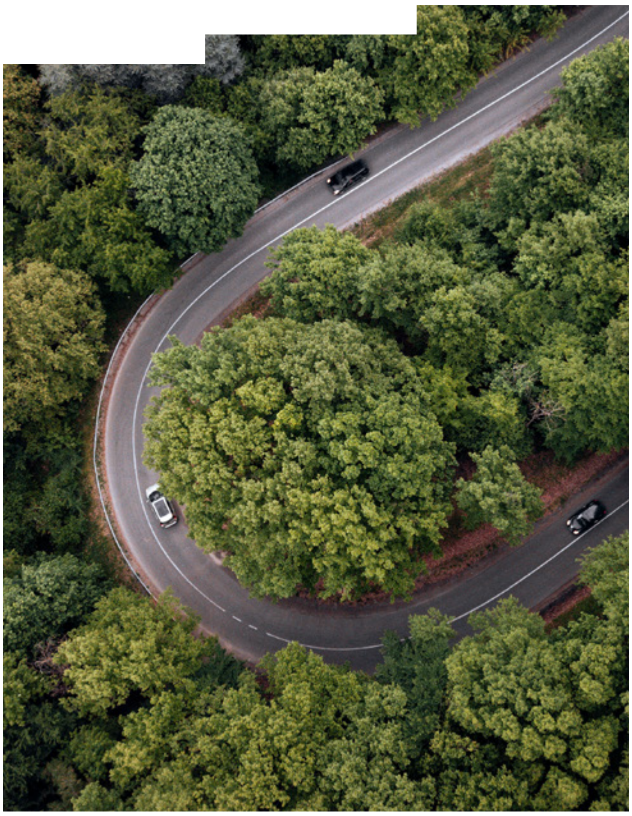
- Solid profitability as evidenced by:
  - EBITDA of EUR 32.3 mln (6M 2021: EUR 27.7 mln);
  - Net Profit before FX of EUR 9.0 mln (6M 2021: EUR 5.5 mln);
  - Net Profit after FX of EUR 7.4 mln (6M 2021: EUR 5.6 mln).

- 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.



Modestas Sudnius,
CEO of Mogo Finance,
commented:

"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.

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.

In the upcoming six months, Eleving group will maintain its growth and development strategy but will take a more conservative approach in its underwriting policies, will seek for further improvements in operational efficiency, and focus on existing products and geographies with cautious tests of new concepts."

Maris Kreics,
CFO of Mogo Finance,
commented:

"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.

To better prepare the Group for any possible turbulences in the future, we are slightly adjusting our strategy—slowing down the pace of new products 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."

To the best of our knowledge, the condensed set of financial statements which have been prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by the Laws and that the interim management report includes a fair review of the information required under paragraph (4).

Signed on behalf of the Group on 15 September 2022 by:

Maris Kreics,
Type A director

Delphine Glessinger
Type B director

Consolidated Interim Financial Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Continuing operations	Notes	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Interest revenue	3	83 264 325	59 788 707
Interest expense	4	(14 648 346)	(14 352 510)
Net interest income		**68 615 979**	**45 436 197**
Fee and commission income related to finance lease activities	5	4 016 565	3 623 334
Impairment expense	6	(25 285 292)	(12 071 338)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	7	(154 389)	(3 245 406)
Expenses related to peer-to-peer platform services	8	(433 338)	(530 480)
Revenue from leases	9	2 741 131	3 428 337
Revenue from car sales	10	124 425	8 900
Expenses from car sales	10	(121 851)	(8 481)
Selling expense	11	(3 850 305)	(2 821 455)
Administrative expense	12	(29 515 408)	(23 099 399)
Other operating income	13	535 487	561 132
Other operating expense	14	(2 982 051)	(2 630 226)
Net foreign exchange result	15	(1 582 342)	64 183
Profit before tax		**12 108 611**	**8 715 298**
Corporate income tax	16	(5 787 868)	(2 974 391)
Deferred corporate income tax	16	1 140 996	756 369
Profit from continuing operations		**7 461 739**	**6 497 276**
Discontinued operations			
Profit/(loss) from discontinued operation, net of tax		(646 666)	945 325
Profit for the period		**6 815 073**	**7 442 601**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Translation of financial information of foreign operations to presentation currency		4 245 091	374 671
Other comprehensive income/(loss)		**4 245 091**	**374 671**
Total comprehensive income for the year		**11 060 164**	**7 817 272**
Profit is attributable to:			
Equity holders of the Parent Company		5 257 324	7 022 773
Non-controlling interests		1 557 749	419 828
Net profit for the year		**6 815 073**	**7 442 601**
Other comprehensive income/(loss) is attributable to:			
Equity holders of the Parent Company		4 093 580	359 383
Non-controlling interests		151 511	15 288
Other comprehensive income/(loss) for the year		**4 245 091**	**374 671**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director

Consolidated Statement of Financial Position

ASSETS

NON-CURRENT ASSETS	Notes	30.06.2022. EUR	31.12.2021. EUR
Intangible assets			
Goodwill		4 207 155	4 207 155
Internally generated intangible assets		8 465 491	7 530 576
Other intangible assets		2 328 409	2 734 414
Total intangible assets	17	**15 001 055**	**14 472 145**
Tangible assets			
Right-of-use assets		10 215 089	9 095 695
Rental fleet		10 746 105	10 700 138
Property, plant and equipment		3 391 417	2 500 938
Leasehold improvements		655 501	615 310
Advance payments for assets		-	2 046
Total tangible assets	18	**25 008 112**	**22 914 127**
Non-current financial assets			
Finance lease receivables	19	71 378 262	64 417 410
Loans and advances to customers	20	57 952 964	54 708 877
Loans to related parties	21, 30	3 367 178	3 530 169
Equity-accounted investees	22	236 123	149 872
Other loans and receivables		295 614	723 098
Deferred tax asset		4 437 080	2 798 788
Total non-current financial assets		**137 667 221**	**126 328 214**
TOTAL NON-CURRENT ASSETS		**177 676 388**	**163 714 486**
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale	23	4 036 666	3 763 734
Total inventories		**4 036 666**	**3 763 734**
Receivables and other current assets			
Finance lease receivables	19	60 036 918	47 942 305
Loans and advances to customers	20	75 338 475	67 783 267
Loans to related parties	21, 30	-	2 729 021
Other loans and receivables		925 077	2 207 045
Prepaid expense		2 678 686	1 672 422
Trade receivables		4 171 893	3 572 084
Other receivables	24	4 230 666	3 268 219
Cash and cash equivalents	25	13 239 982	10 127 087
Total receivables and other current assets		**160 621 697**	**139 301 450**
Assets of subsidiary held for sale	26	14 397 035	12 914 182
Assets held for sale	27	1 365 706	2 382 560
Total assets held for sale		**15 762 741**	**15 296 742**
TOTAL CURRENT ASSETS		**180 421 104**	**158 361 926**
TOTAL ASSETS		**358 097 492**	**322 076 412**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

EQUITY	Notes	30.06.2022. EUR	31.12.2021. EUR
Share capital	28	1 000 000	1 000 000
Reserve		812 785	812 785
Foreign currency translation reserve		4 282 349	188 769
Retained earnings/(losses)		27 523 077	22 265 753
brought forward		22 265 753	20 150 369
for the period		5 257 324	2 115 384
Total equity attributable to equity holders of the Parent Company		**33 618 211**	**24 267 307**
Non-controlling interests		9 064 390	7 122 787
TOTAL EQUITY		**42 682 601**	**31 390 094**
LIABILITIES			
Non-current liabilities			
Borrowings	29	234 171 107	229 757 374
Total non-current liabilities		**234 171 107**	**229 757 374**
Provisions		136 716	140 054
Total provisions for liabilities and charges		**136 716**	**140 054**
Current liabilities			
Borrowings	29	56 466 342	38 267 475
Liabilities of subsidiary held for sale		8 226 141	6 118 506
Prepayments and other payments received from customers		1 069 700	877 243
Trade payable		2 313 802	2 698 423
Corporate income tax payable		4 403 052	3 697 322
Taxes payable		1 837 199	1 787 308
Other liabilities		1 543 045	888 273
Accrued liabilities		4 532 408	4 202 346
Other current financial liabilities		715 379	2 251 994
Total current liabilities		**81 107 068**	**60 788 890**
TOTAL LIABILITIES		**315 414 891**	**290 686 318**
TOTAL EQUITY AND LIABILITIES		**358 097 492**	**322 076 412**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director

Consolidated Statement of Changes in Equity

	Share capital EUR	Foreign currency translation reserve EUR	Retained earnings/ (Accumulated loss) EUR	Reserve EUR	Total equity attributable to Equity holders of the Parent Company EUR	Non controlling interest EUR	Total EUR
Balance at 01.01.2021.	**1 000 000**	**(2 291 798)**	**22 874 235**	**317 347**	**21 899 784**	**338 439**	**22 238 223**
Profit for the period	-	-	7 022 773	-	7 022 773	419 828	7 442 601
Reserve	-	-	(296 650)	296 650	-	-	-
Dividends distribution	-	-	-	-	-	(87 838)	(87 838)
Other comprehensive income	-	359 383	-	-	359 383	15 288	374 671
Total comprehensive income	-	359 383	6 726 123	296 650	7 382 156	347 278	7 729 434
Balance at 30.06.2020.	**1 000 000**	**(1 932 415)**	**29 600 358**	**613 997**	**29 281 940**	**685 717**	**29 967 657**
Balance at 01.01.2022.	**1 000 000**	**188 769**	**22 265 753**	**812 785**	**24 267 307**	**7 122 787**	**31 390 094**
Profit for the reporting year	-	-	5 257 324	-	5 257 324	1 557 749	6 815 073
Sale of shares to minority interest	-	-	-	-	-	176 495	176 495
Share capital increase/(decrease)	-	-		-	-	(96 627)	(96 627)
Acquisition of non-controlling interests (NCI)	-	-		-	-	152 475	152 475
Other comprehensive income	-	4 093 580	-	-	4 093 580	151 511	4 245 091
Total comprehensive income	-	4 093 580	5 257 324	-	9 350 904	1 941 603	11 292 507
Balance at 30.06.2022.	**1 000 000**	**4 282 349**	**27 523 077**	**812 785**	**33 618 211**	**9 064 390**	**42 682 601**

The accompanying notes are an integral part of these consolidated financial statements.
Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director

Consolidated Statement of Cash Flows

Cash flows to/from operating activities	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Profit before tax	11 461 945	9 660 623
Adjustments for:		
Amortization and depreciation	3 999 340	3 466 459
Interest expense	14 648 346	14 352 510
Interest income	(83 264 325)	(58 915 637)
Loss on disposal of property, plant and equipment	954 586	2 041 744
Impairment expense	25 439 681	15 316 744
Loss from fluctuations of currency exchange rates	(1 534 369)	310 488
Operating profit before working capital changes	**(28 294 796)**	**(13 767 069)**
Decrease/(increase) in inventories	(272 932)	(1 272 502)
Increase in finance lease receivables, loans and advances to customers and other current assets	(48 116 086)	(31 972 135)
Increase in accrued liabilities	326 724	611 986
Increase/(decrease) in trade payable, taxes payable and other liabilities	1 083 519	1 604 872
Cash generated to/from operations	**(75 273 571)**	**(44 794 848)**
Interest received	83 289 389	60 574 626
Interest paid	(14 960 246)	(16 826 499)
Corporate income tax paid	(5 245 273)	(2 042 276)
Net cash flows to/from operating activities	**(12 189 701)**	**(3 088 997)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(4 180 746)	(4 014 992)
Purchase of rental fleet	(3 109 045)	(2 442 267)
Loan repayments received	4 799 477	8 528 230
Loans issued	-	(1 038 087)
Net cash flows to/from investing activities	**(2 490 314)**	**1 032 884**
Cash flows to/from financing activities		
Proceeds from borrowings	88 806 322	150 232 977
Repayments for borrowings	(69 182 280)	(148 003 885)
Repayment of liabilities for right-of-use assets	(1 831 132)	(1 452 552)
Dividends paid to non-controlling shareholders	-	(87 839)
Net cash flows to/from financing activities	**17 792 910**	**688 701**
Change in cash	**3 112 895**	**(1 367 412)**
Cash at the beginning of the year	10 127 087	9 315 430
Cash at the end of the year	**13 239 982**	**7 948 018**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director

Notes to the Consolidated Financial Statements

1. Corporate information

Eleving Group S.A. (hereinafter "the Parent Company") is a Luxembourg company incorporated on December 18, 2012 as a Société Anonyme for an unlimited duration, subject to general company law.
The consolidated financial statements of the Group include:

Subsidiary name	Country of incorporation	Registration number	Principal activities	% equity interest	
				30.06.2022.	31.12.2021.
Mogo LT UAB	Lithuania	302943102	Financing	100.00%	100.00%
Mogo Sp. z o.o.	Poland	7010514253	Financing	100.00%	100.00%
Mogo Iberia	Spain	B87587754	Financing	100.00%	100.00%
Mogo Albania SHA	Albania	NUIS L71528013A	Financing	100.00%	100.00%
Mogo Balkans and Central Asia AS	Latvia	40203150045	Management services	100.00%	100.00%
Mogo Leasing d.o.o.	Bosnia	4202540500009	Financing	100.00%	100.00%
EL Investments OOO	Russia	7707457806	Financing	100.00%	100.00%
Pocco Finance Sp. z.o.o.	Poland	0000830343	Management services	100.00%	98.70%
Eleving Finance AS	Latvia	40203150030	Management services	98.70%	98.70%
Mogo Oy	Finland	3263702-2	Financing	98.50%	-
Rentiplus OÜ	Estonia	16455100	Retail of motor vehicles	98.50%	-
Eleving Vehicle Finance AS	Latvia	42103088260	Management services	98.50%	98.50%
Primero Finance OÜ	Estonia	12401448	Financing	98.50%	98.50%
Mogo LLC	Georgia	404468688	Financing	98.50%	98.50%
Mogo UCO LLC	Armenia	42	Financing	98.50%	98.50%
Longo Georgia LLC	Georgia	402095166	Retail of motor vehicles	98.50%	98.50%
Longo LLC	Armenia	286.110.1015848	Retail of motor vehicles	98.50%	98.50%
Eleving Luna AS	Latvia	40203145805	Management services	98.50%	98.50%
Eleving Solis AS	Latvia	40203182962	Management services	86.81%	86.81%
Eleving Solis UAB	Lithuania	304991028	Management services	86.81%	86.81%
MOGO LOANS SMC LIMITED	Uganda	80020001522601	Financing	86.81%	86.81%
Mogo Auto Ltd	Kenya	PVT-AJUR7BX	Financing	86.81%	86.81%
Mogo Kenya Ltd	Kenya	PVT-BEU3ZKD	Financing	86.81%	86.81%
Mogo IFN SA	Romania	35917970	Financing	86.19%	88.65%
Eleving Stella AS	Latvia	40103964830	Management services	86.19%	88.65%
Eleving Stella LT UAB	Lithuania	305018069	Management services	86.19%	88.65%
Rocket Leasing OOO	Belarus	193553071	Financing	86.19%	88.65%
Autotrade OOO	Belarus	192846476	Other services	86.19%	88.65%
Mogo Loans SRL	Moldova	10086000260223	Financing	86.19%	88.65%
MOGO Kredit LLC	Belarus	192981714	Financing	86.19%	88.65%
Renti AS	Latvia	40203174147	Rent services	84.46%	86.88%
Mogo AS	Latvia	50103541751	Financing	84.46%	86.88%
Mogo Lend LTD	Uzbekistan	305723654	Financing	86.03%	86.03%
Renti UAB	Lithuania	305653232	Financing	84.46%	100.00%
Eleving Consumer Finance Holding AS	Latvia	40203249386	Management services	82.46%	82.46%
Kredo Finance SHPK	Albania	L71610009A	Financing	78.95%	82.46%
TIGO Finance DOOEL Skopje	North	7229712	Financing	78.62%	82.46%
Eleving Consumer Finance AS	Latvia	54103145421	Management services	78.62%	78.62%
Insta Finance LLC	Ukraine	43449827	Financing	78.62%	78.62%
Next Fin LLC	Ukraine	42273138	Financing	78.62%	78.62%
Hima UCO LLC	Armenia	53	Financing	78.62%	78.62%
Hima Finance	Armenia	286.110.1121811	Management services	78.62%	78.62%
OCN Sebo Credit SRL	Moldova	1017600000371	Financing	75.68%	75.68%
OCN SE Finance SRL	Moldova	1020600028773	Financing	75.68%	75.68%
Spaceship SIA	Latvia	40203300224	Retail of motor vehicles	50.24%	-

2. Summary of significant accounting policies

Basis of preparation

The consolidated half-yearly report of the Group 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 Group and the undertakings included in the consolidation taken as a whole.

The half-yearly management report of the Group includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as whole, together with a description of the principal risks and uncertainties that they face.
These interim consolidated annual financial statements for the period ended 30 June 2022 are prepared in accordance with IAS34.
The Group's consolidated annual financial statements and its financial result are affected by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the annual consolidated financial statements.
The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.
The consolidated financial statements are prepared on a historical cost basis as modified by the recognition of financial instruments measured at fair value, except for inventory which is accounted in net realizable value and contingent consideration that has been measured at fair value.
Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.
The Group's presentation currency is euro (EUR). The financial statements cover the period from 1 January 2022 till 30 June 2022. Accounting policies and methods are consistent with those applied in the previous years.

Going concern

These interim condensed consolidated financial statements are prepared on the going concern basis. In the light of events related to the war in Ukraine the Group's management has assessed the impacts on the Group's ability to continue as a going concern.
The Group is following the situation in Ukraine very closely and greatly regrets the current development. The Group's top priority is to ensure the safety of its employees. So far, only the business activities in Ukraine are directly affected, while further development in Belarus is being closely evaluated.

With less than 1% of the total net portfolio as of 30 June 2022, Eleving Group has a limited presence in Ukraine . Already in the prewar period, the Company had significantly curtailed new issuances and stopped them completely as of 24 February 2022. Currently, Eleving refrains from strict collection measures and offers all its customers to defer payments without additional fees or interest being calculated. Collections from the portfolio declined significantly, although considerable payments are still being made by customers daily. Given the digital-only business in Ukraine, the scale back of the local portfolio is not exposed to any material risks. The Company is not planning any new loan issues for the foreseeable future and will focus on collection activities while maintaining a lean cost structure. Eleving Group is focused on supporting its employees and their family members in Ukraine.

The scope and impact of possible sanctions against Belarus as a result of its engagement alongside the Russian Federation is being monitored constantly. The net loan portfolio in Belarus accounts for 7% of the Group's total net loan portfolio and 8% of the Group's EBITDA as of 30 June 2022. Although the business activity in Belarus historically shows the greatest resilience of the operating countries against crises of various kinds, Eleving Group has decided to stop issuances in Belarus as of 24 February 2022 and focus on reducing the existing exposure, simultaneously maintaining only the bare minimum of issuances to maintain existing partner relationships. The Company is optimizing its costs structure in Belarus and is putting full focus on collection activities and incentivizing customers to repay their outstanding loans early. At this point, collections are unaffected, and the Company is receiving a significant amount of positive cashflows, with a focus on developing several secure ways to transfer foreign currency out of Belarus. Excess cash is being repatriated to EU countries.

Eleving Group itself is not a sanctions target and does not maintain business relations with Russian banks. The proactively initiated contingency management to ensure business continuity includes, in particular, real-time assessment of the situation in the affected countries of operation, liquidity management, and securing foreign exchange transfers outside the borders of sanctioned countries.

The Group monitors its liquidity ratios on an ongoing basis. The main liquidity ratios for the Group are capitalization ratio and interest coverage ratio. As at 30 June 2022, the Group's capitalization ratio and interest coverage ratio were accordingly 23.0% and 2.6 (31.12.2021: 20.7% and 2.5), indicating stable liquidity shape of the Group. The Group has maintained strong funding and liquidity position with its robust diversified funding base. As at 30 of June 2022 the Group is compliant with all financial covenants. The Group's management foresees that it will be able to fully satisfy the requirements of financial covenants as a minimum for 12 months. The Group maintains stable cash position, as at 30 June 2022 the Group's quick ratio (cash and cash equivalents vs current liabilities) was 16% (31.12.2021: 17%).

The Group controls its liquidity also by managing the amount of funding it attracts through P2P platform Mintos, which provides management greater flexibility to manage the level of borrowings and available cash balances. Despite the uncertainty in the global economy, the amount of loans funded through Mintos have remained stable. P2P loan portfolio have remained in similar level compared to previous reporting period - EUR 67.0 million as of 30.06.2022 (31.12.2021: EUR 62.3 million).

The Group's entities have applied to various eligible aid options. The management does not foresee any objections or further regulatory scrutiny towards tax reliefs obtained and used.

3. Interest revenue

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Interest income from finance lease receivables	56 643 857	42 467 695
Interest income from loans and advances to customers	26 346 507	16 735 553
Other interest income	273 961	585 459
TOTAL:	**83 264 325**	**59 788 707**

4. Interest expense

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Interest expense on issued bonds	10 181 588	8 383 557
Interest expenses for loans from P2P platform investors	2 974 296	4 386 225
Interest expenses for bank liabilities and related parties	1 257 867	1 423 538
Interest expenses for lease liabilities	234 595	159 190
TOTAL:	**14 648 346**	**14 352 510**

5. Fee and commission income related to finance lease activities

Revenue from contracts with customers recognized point in time:	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Income from penalties received	3 656 574	3 382 081
Income from commissions	1 484 368	809 191
TOTAL:	**5 140 942**	**4 191 272**

Revenue from contracts with customers recognized point in time where the Group acted as an agent:	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Gross income from debt collection activities	824 415	761 940
Gross expenses from debt collection activities	(1 948 792)	(1 329 878)
TOTAL:	**(1 124 377)**	**(567 938)**
Total fees and commissions income:	**4 016 565**	**3 623 334**

6. Impairment expense

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Change in impairment in finance lease	7 027 547	(1 234 638)
Change in impairment in loans and advances to customers	13 039 099	832 633
Change in impairment in rental fleet	(214 867)	55 890
Written off debts	5 433 513	12 417 453
TOTAL:	**25 285 292**	**12 071 338**

7. Net gain/(loss) from de-recognition of financial assets measured at amortized cost

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Financial lease		
Income arising from cession of financial lease receivables to non related parties	1 210 461	5 478 225
Loss arising from cession of financial lease receivables to non related parties	(464 338)	(5 433 237)
TOTAL:	**746 123**	**44 988**
Loans and advances to customers		
Income arising from cession of loans and advances to customers receivables to non related parties	412 862	1 702 492
Loss arising from cession of loans and advances to customers receivables to non related parties	(1 313 374)	(4 992 886)
TOTAL:	**(900 512)**	**(3 290 394)**

8. Expenses related to peer-to-peer platform services

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Service fee for using P2P platform	433 338	530 480
TOTAL:	**433 338**	**530 480**

9. Revenue from leases

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Revenue from operating lease	2 741 131	3 428 337
TOTAL:	**2 741 131**	**3 428 337**

10. Revenue from car sales

Revenue from contracts with customers recognized point in time:	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Income from sale of vehicles	124 425	8 900
TOTAL:	**124 425**	**8 900**

Expenses from contracts with customers recognized point in time:	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Expenses from sale of vehicles	(121 851)	(8 481)
TOTAL:	**(121 851)**	**(8 481)**
Total Net revenue from contracts with customers recognized point in time	**2 574**	**419**

11. Selling expense

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Online marketing expenses	776 695	811 252
TV advertising	363 443	337 278
Radio advertising	96 249	75 274
Other marketing expenses	827 781	871 961
Total marketing expenses	*2 064 168*	*2 095 765*
Other selling expenses	1 786 137	725 690
TOTAL:	**3 850 305**	**2 821 455**

12. Administrative expense

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Employees' salaries	16 055 132	12 130 852
Amortization and depreciation	3 999 340	3 466 459
Professional services	1 321 586	1 456 225
Office and branches' maintenance expenses	1 228 155	897 226
IT services	921 455	718 239
Withholding tax expenses	766 099	394 823
GPS equipment expenses	686 073	617 382
Expenses from disposal of rental fleet and other fixed assets	658 963	786 306
Bank commissions	596 522	569 312
Communication expenses	573 445	405 087
Credit database expenses	403 166	539 676
Business trip expenses	297 487	152 985
Insurance expenses	195 201	40 395
Transportation expenses	170 405	79 864
Other personnel expenses	163 888	99 025
Donations	160 923	8 867
Low value equipment expenses	112 163	112 710
Employee recruitment expenses	109 450	37 352
Real estate tax	5 167	4 138
Other administration expenses	1 090 788	582 476
TOTAL:	**29 515 408**	**23 099 399**

13. Other operating income

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Income from management services	11 225	255 000
Other operating income	524 262	306 132
TOTAL:	**535 487**	**561 132**

14. Other operating expense

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Non-deductible VAT from management services	1 322 438	1 021 782
Provision expenses for possible withholding tax liabilities	748 598	401 426
Credit default swap expenses	419 557	503 965
Loss from sale of subsidiaries	-	352 171
Other operating expenses	491 458	350 882
TOTAL:	**2 982 051**	**2 630 226**

15. Net foreign exchange result

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Currency exchange gain	(7 139 152)	(2 434 786)
Currency exchange loss	8 721 494	2 370 603
TOTAL:	**1 582 342**	**(64 183)**

16. Corporate income tax

	01.01.2022. - 30.06.2022. EUR	01.01.2021. - 30.06.2021. EUR
Current corporate income tax charge for the reporting year	5 787 868	2 974 391
Deferred corporate income tax due to changes in temporary differences	(1 140 996)	(756 369)
Corporate income tax charged to the income statement:	**4 646 872**	**2 218 022**

17. Intangible assets

	Goodwill	Internally generated intangible assets	Trademarks	Other intangible assets	TOTAL
Cost	6 603 307	8 654 075	2 151 085	326 538	**17 735 005**
Accumulated amortization	-	(2 785 462)	-	(139 125)	**(2 924 587)**
As at 1 January 2021	**6 603 307**	**5 868 613**	**2 151 085**	**187 413**	**14 810 418**
2021					
Additions	-	3 322 851	-	478 926	**3 801 777**
Acquisition of a subsidiary through business combination	-	-	-	-	**-**
Reclassified to assets held for sale (cost)	(2 325 262)	-	-	(11 320)	**(2 336 582)**
Disposals and reclass to disposal groups held for sale (cost)	(70 890)	(310 499)	-	(82 574)	**(463 963)**
Exchange difference, net	-	129 955	-	6 740	**136 695**
Amortization charge	-	(1 335 423)	-	(30 390)	**(1 365 813)**
Disposals and reclass to disposal groups held for sale (amortization)	-	(73 180)	-	29 642	**(43 538)**
Reclassified to assets held for sale (amortization)	-	-	-	8 057	**8 057**
Acquisition of a subsidiary through business combination (amortization)	-	-	-	-	**-**
Exchange difference, net	-	(71 741)	-	(3 165)	**(74 906)**
Cost	4 207 155	11 796 382	2 151 085	718 310	**18 872 932**
Accumulated amortization	-	(4 265 806)	-	(134 981)	**(4 400 787)**
As at 31 December 2021	**4 207 155**	**7 530 576**	**2 151 085**	**583 329**	**14 472 145**
6 months 2022					
Additions	-	1 786 273	-	(195 237)	**1 591 036**
Acquisition of a subsidiary	-	-	-		**-**
Disposals (cost)	-	(983)	-	(234 472)	**(235 455)**
Exchange difference, net	-	44 029	-	6 869	**50 898**
Amortization charge	-	(861 173)	-	(16 961)	**(878 134)**
Acquisition of a subsidiary	-	-	-		**-**
Disposals (amortization)	-	(138 952)	-	38 820	**(100 132)**
Exchange difference, net	-	105 721	-	(5 024)	**100 697**
Cost	4 207 155	13 625 701	2 151 085	295 470	**20 279 411**
Accumulated amortization	-	(5 160 210)	-	(118 146)	**(5 278 356)**
As at 30 June 2022	**4 207 155**	**8 465 491**	**2 151 085**	**177 324**	**15 001 055**

Split of goodwill per cash generating unit: Name	30.06.2022. EUR	31.12.2021. EUR
TIGO Finance DOOEL Skopje (North Macedonia)	3 000 276	3 000 276
UAB mogo (Lithuania)	646 063	646 063
AS mogo (Latvia)	298 738	298 738
Mogo UCO (Armenia)	182 028	182 028
Mogo LLC (Georgia)	80 050	80 050
	4 207 155	**4 207 155**

Each cash generating unit represents a subsidiary of the Group.

Goodwill impairment test

As at 30 June 2022, goodwill was tested for impairment.

The goodwill impairment test was performed for each cash generating unit separately.

The recoverable amounts for each unit was calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing activities of the units. No impairment losses were recognized because the recoverable amounts of these units including the goodwill allocated were determined to be higher than their carrying amounts. The calculations of value-in-use were based on free cash flow to equity approach to each unit respectively, discounted by estimated cost of equity. The value-in-use calculations are most sensitive to projected operating cash-flow, terminal growth rates used to extrapolate cash flows beyond the budget period, and discount rates. Projected operating cash-flow figures were based on detailed financial models.

6 months actual figures were used as a starting point in these models, and took into account management's expectations of the future performance of each unit.

Four years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity was determined to be 1%. The rate was estimated by management based on historical trends observed in existing markets, and expected Group and industry developments.

Discount rates reflect the current market assessment of the risk specific to each unit.

Sensitivity analysis was performed to assess changes to key assumptions that could influence whether the carrying value of the units exceeded their recoverable amounts. The results of this analysis indicate that for all units, the recoverable amount would not be below the carrying amount including goodwill (i.e. goodwill would not become impaired), if terminal growth rates decreased by 0.5% and discount rates increased by 10%.

18. Property, plant and equipment and Right-of-use assets

	Right-of-use premises	Right-of-use motor vehicles	Total Right-of-use assets	Rental fleet	Other property, plant and equipment	TOTAL
Cost	10 319 520	162 944	10 482 464	17 581 474	4 857 322	**32 921 260**
Accumulated depreciation	(2 915 456)	(66 891)	(2 982 347)	(3 031 690)	(2 273 343)	**(8 287 380)**
As at 1 January 2021	**7 404 064**	**96 053**	**7 500 117**	**14 549 784**	**2 583 979**	**24 633 880**
2021						
Additions	5 676 274	153 859	5 830 133	3 541 078	2 192 653	**11 563 864**
Acquisition of a subsidiary	-	-	-	-	-	**-**
Reclassification	-	-	-	-	-	**-**
Disposals (cost)	(3 186 156)	(42 004)	(3 228 160)	(6 129 129)	(836 266)	**(10 193 555)**
Reclassified to assets held for sale (cost)	(122 872)	(27 840)	(150 712)	-	(186 111)	**(336 823)**
Exchange difference, net	376 019	1 251	377 270	-	227 012	**604 282**
Depreciation charge	(2 405 837)	(59 181)	(2 465 018)	(2 300 180)	(1 263 543)	**(6 028 741)**
Acquisition of a subsidiary (depreciation)	-	-	-	-	-	**-**
Disposals (depreciation)	1 408 116	30 970	1 439 086	1 239 966	373 394	**3 052 446**
Reclassified to assets held for sale (depreciation)	64 240	6 116	70 356	-	152 926	**223 282**
Impairment	-	-	-	(201 381)	-	**(201 381)**
Exchange difference, net	(277 036)	(341)	(277 377)	-	(125 750)	**(403 127)**
Cost	13 062 785	248 210	13 310 995	14 993 423	6 254 610	**34 559 028**
Accumulated depreciation	(4 125 973)	(89 327)	(4 215 300)	(4 293 285)	(3 136 316)	**(11 644 901)**
As at 31 December 2021	**8 936 812**	**158 883**	**9 095 695**	**10 700 138**	**3 118 294**	**22 914 127**
6 months 2022						
Additions	2 567 420	17 052	2 584 472	3 109 045	2 589 710	**8 283 227**
Acquisition of a subsidiary	-	-	-	-	-	**-**
Disposals (cost)	(692 133)	(8 455)	(700 588)	(3 130 053)	(1 199 138)	**(5 029 779)**
Reclassified to assets held for sale (cost)	(156 225)		(156 225)	-	(125 172)	**(281 397)**
Exchange difference, net	335 680	1 838	337 518	-	203 111	**540 629**
Depreciation charge	(1 422 597)	(32 223)	(1 454 820)	(987 477)	(678 909)	**(3 121 206)**
Acquisition of a subsidiary	-	-	-	-	-	**-**
Disposals (depreciation)	572 168	3 875	576 043	839 585	208 127	**1 623 755**
Reclassified to assets held for sale (depreciation)	22 802	-	22 802	-	44 695	**67 497**
Impairment	-	-	-	214 867	-	**214 867**
Exchange difference, net	(89 159)	(649)	(89 808)	-	(113 800)	**(203 608)**
Cost	15 117 527	258 645	15 376 172	14 972 415	7 723 121	**38 071 708**
Accumulated depreciation	(5 042 759)	(118 324)	(5 161 083)	(4 226 310)	(3 676 203)	**(13 063 596)**
As at 30 June 2022	**10 074 768**	**140 321**	**10 215 089**	**10 746 105**	**4 046 918**	**25 008 112**

19. Finance Lease Receivables

Finance lease receivables, net	Non-Current 30.06.2022. EUR	Current 30.06.2022. EUR	Non-Current 31.12.2021. EUR	Current 31.12.2021. EUR
Finance lease receivables	76 673 426	69 142 749	68 161 485	54 589 250
Accrued interest and handling fee	-	8 505 333	-	4 977 177
Fees paid and received upon lease disbursement	(1 723 282)	(1 380 145)	(1 439 763)	(1 153 080)
Impairment allowance	(3 571 882)	(16 231 019)	(2 304 312)	(10 471 042)
	71 378 262	**60 036 918**	**64 417 410**	**47 942 305**

Transactions with peer-to-peer platforms

From year 2016 Group started placing lease agreement receivables on peer-to-peer lending platform. Agreements were offered with buy back guarantee, which means that all risks of such agreements remain with the Group and in case of client default the Group has the liability to repay the whole remaining principal and accrued interest to P2P investor. By using the same platform Group also offered loans without buy back guarantee, which means that all risks related to client default were transferred to P2P investor. Portions of agreements purchased by investors therefore are considered as financial assets eligible for derecognition from Group statement of financial position.

Total gross portfolio and associated liabilities for the portfolio derecognized from Group financial assets were:

	30.06.2022. EUR	31.12.2021. EUR
Non-current		
Finance lease receivable	17 204	24 323
Associated liabilities	(17 204)	(24 323)
NET POSITION:	-	-
Current		
Finance lease receivable	15 515	21 256
Associated liabilities	(15 515)	(21 256)
NET POSITION:	-	-
Total gross portfolio derecognized from Group's financial assets	32 719	45 579
Total associated liabilities	(32 719)	(45 579)
TOTAL NET POSITION:	-	-

20. Loans and advances to customers

Loans and advances to customers, net	Non-Current 30.06.2022. EUR	Current 30.06.2022. EUR	Non-Current 31.12.2021. EUR	Current 31.12.2021. EUR
Loans and advances to customers	63 080 970	119 895 414	58 979 625	103 106 510
Accrued interest	-	18 511 016	-	15 675 219
Fees paid and received upon loan disbursement	(531 190)	(928 612)	(572 071)	(1 000 079)
Impairment allowance	(4 596 816)	(62 139 343)	(3 698 677)	(49 998 383)
	57 952 964	**75 338 475**	**54 708 877**	**67 783 267**

21. Loans to related parties

Non current Loans to related parties	*Interest rate per annum (%)*	*Maturity*	30.06.2022. EUR	31.12.2021. EUR
Loans to related parties	10.5%	30.07.2027	3 000 756	3 197 903
Loans to related parties recognized at fair value		2023	410 041	427 038
Impairment allowance			(43 619)	(94 772)
TOTAL:			**3 367 178**	**3 530 169**

Current Loans to related parties	30.06.2022. EUR	31.12.2021. EUR
Loans to related parties recognized at fair value	-	446 318
Loans to related parties (including loans as a result of sale of Longo Group entities)	-	2 259 304
Accrued interest	-	23 399
TOTAL:	**-**	**2 729 021**

22. Equity-accounted investees

	30.06.2022. EUR	31.12.2021. EUR
Investments in associates	236 123	149 872
TOTAL:	**236 123**	**149 872**

23. Finished goods and goods for resale

	30.06.2022. EUR	31.12.2021. EUR
Advance payments to vehicle dealerships	3 928 232	3 071 359
Acquired vehicles for purpose of selling them to customers	91 446	213 075
Other inventory	16 988	479 300
TOTAL:	**4 036 666**	**3 763 734**

This non-financial asset is not impaired as of 30.06.2022. (31.12.2021.: 0 EUR).

24. Other receivables

	30.06.2022. EUR	31.12.2021. EUR
Other receivables		
Overpaid VAT from subsidiary in Latvia	457 853	434 594
Impairment allowance for overpaid VAT	(457 853)	(434 594)
Net overpaid VAT	-	-
CIT paid in advance	1 898 688	1 106 080
Overpaid VAT in other subsidiaries	554 682	462 531
Security deposit for office lease	351 144	304 430
Security deposit paid for currency transactions	308 243	8 082
Receivables for payments received from customers through online payment systems	233 460	150 389
Advances to employees	8 803	-
Disputed tax audit measurement in Georgia	510 421	510 421
Receivables from P2P platform for attracted funding	-	75 434
Other debtors	1 023 812	713 425
Impairment allowance for 'Other debtors'	(658 587)	(62 573)
TOTAL:	**4 230 666**	**3 268 219**

All receivables are expected to be paid within the following year, except VAT overpayment where uncertainty of date of settlement is unclear due to ongoing litigation process in Latvia.
This resulted in full settlement of payable VAT and recognition of VAT overpayment. Considering the uncertainty the Group has decided to recognize the impairment provision in full amount for VAT receivable in the statement of financial position and additional provisions in amount of VAT payable settled by VAT return adjustment and related penalties.

25. Cash and cash equivalents

	30.06.2022. EUR	31.12.2021. EUR
Cash at bank	12 579 051	9 533 727
Cash on hand	660 931	593 360
TOTAL:	**13 239 982**	**10 127 087**

The Group has not created an ECL allowances for cash and cash equivalents on the basis that placements with banks are of short term nature and the lifetime of these assets under IFRS 9 is so short that the low probability of default would result in immaterial ECL amounts (2021: EUR 0).

26. Disposal groups held for sale

In latter part of 2021, management committed to a plan to sell parts of its vehicle finance business operations in Balkan countries and liquidate subsidiary in Bosnia&Herzegovina. Accordingly, several entities were presented as a disposal group held for sale. In 2021 management decided to also initiate the liquidation of several additional entities in Poland. As well the Group decided to change the strategy in Estonia and sell its Estonian subsidiary Primero Finance OU to Primero Holding AS - a subsidiary where the Group holds 49% of shares.

As at 30 June 2022 following companies were classified as held for sale:
- Primero Finance OU, Estonia
- Mogo Albania SHA, Albania

As at 30 June 2022 following companies were classified as under liquidation:
- Mogo Sp. z o.o., Poland
- Mogo Leasing d.o.o., Bosnia&Herzegovina
- Pocco Finance Sp. z o.o., Poland

Assets and liabilities of disposal groups held for sale	30.06.2022. EUR	31.12.2021. EUR
ASSETS		
Primero Finance OU, Estonia	12 185 999	11 545 025
Mogo Leasing d.o.o., Bosnia&Herzegovina	498 651	733 597
Mogo Sp. z o.o., Poland	29 422	181 410
Pocco Finance Sp. z o.o., Poland	1 108	2 256
Mogo Albania SHA, Albania	1 633 370	-
TOTAL	**14 348 550**	**12 462 288**
Impairment of assets of Mogo Albania SHA, Albania	(403 409)	-
Goodwill arising from Primero Finance OU, Estonia	451 894	451 894
TOTAL ASSETS OF SUBSIDIARIES HELD FOR SALE	**14 397 035**	**12 914 182**
LIABILITIES	EUR	EUR
Primero Finance OU, Estonia	7 654 839	5 993 920
Mogo Leasing d.o.o., Bosnia&Herzegovina	66 427	42 382
Mogo Sp. z o.o., Poland	84 628	82 124
Pocco Finance Sp. z o.o., Poland	79	80
Mogo Albania SHA, Albania	420 168	-
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE	**8 226 141**	**6 118 506**

27. Assets held for sale

Other non-current assets held for sale	30.06.2022. EUR	31.12.2021. EUR
Repossessed collateral	1 365 706	2 382 560
	1 365 706	**2 382 560**

Repossessed collaterals are vehicles taken over by the Group in case of default by the Group's clients on the related lease agreements. After the default of the client, the Group has the right to repossess the vehicle and sell it to third party. The Group does not have the right to repossess, sell or pledge the vehicle in the absence of default by Group's clients. The Group usually sells the repossessed vehicles within 90 days after repossession.

28. Share capital

The subscribed share capital of the Group amounts to EUR 1 000 000 and is divided into 3 103 600 shares fully paid up.
The movements on the Share capital caption during the year are as follows:

	Share capital EUR	Number of class A Shares	Number of class B Shares	Total number of Shares
Opening balance as at 1 January 2021	**1 000 000**	**3 103 600**	**-**	**3 103 600**
Subscriptions	-	-	-	-
Redemptions	-	-	-	-
Closing balance as at 31 December 2021	**1 000 000**	**3 103 600**	**-**	**3 103 600**
Opening balance as at 1 January 2022	**1 000 000**	**3 103 600**	**-**	**3 103 600**
Subscriptions	-	-	-	-
Redemptions	-	-	-	-
Closing balance as at 30 June 2022	**1 000 000**	**3 103 600**	**-**	**3 103 600**

29. Borrowings

Non-current

Subordinated loans	*Interest rate per annum (%)*	*Maturity*	30.06.2022. EUR	31.12.2021. EUR
Loan from related parties	12%	31.12.2026	3 286 762	17 300 238
		TOTAL:	**3 286 762**	**17 300 238**

Subordinated loans comprise of loans received by the Parent company from its shareholders. The loans are denominated in EUR with an interest rate of 12% and maturity extended to December 2026 during 2021 and are subordinated to the Parent company's obligations arising from the Eurobonds described further below. Till all the Parent company's outstanding liabilities under the Eurobonds are fulfilled the Parent company as the borrower under subordinated loans is allowed to make payments of principal and interest only to the extent that any such payment is in accordance with the terms and conditions of the Eurobonds. On 30 June 2022 the terms and conditions of the Eurobonds that would allow the Parent company to make payments of principal and interest under the subordinated loans were met.

Bonds	*Interest rate per annum (%)*	*Maturity*	30.06.2022. EUR	31.12.2021. EUR
Eleving Group S.A. bonds nominal value	9.5%	October 2026	146 110 710	142 241 000
Mogo AS 30m bonds nominal value	11%	31.03.2024	29 242 000	29 859 000
Subordinated bonds	12% + EURIBOR	December 2026	15 690 000	-
Bond interest accrual			54 056	29 753
Bonds acquisition costs			(5 421 769)	(5 790 824)
		TOTAL:	**185 674 997**	**166 338 929**
Other borrowings				
Long term loans from banks	7.5%-12.75%	February 2024	5 218 426	5 615 831
Lease liabilities for rent of premises	2%-12%	up to 10 years	7 170 591	6 612 744
Lease liabilities for rent of vehicles	2%-12%	up to 3 years	85 211	93 446
Financing received from P2P investors	10.5%	up to 30.06.2028.	32 869 317	33 884 556
Loan acquisition costs			(134 197)	(88 370)
		TOTAL:	**45 209 348**	**46 118 207**
		TOTAL NON CURRENT BORROWINGS:	**234 171 107**	**229 757 374**

Current

Other borrowings	*Interest rate per annum (%)*		30.06.2022. EUR	31.12.2021. EUR
Financing received from P2P investors	10.5%		33 750 828	28 123 751
Short term loans from banks			11 873 735	1 868 405
Lease liabilities for rent of premises	2%-12%		3 075 634	2 443 778
Accrued interest for bonds			2 821 103	2 747 127
Lease liabilities for rent of vehicles	2%-12%		2 492 716	57 412
Short term loans from non related parties			1 306 009	1 818 887
Other borrowings			601 826	833 485
Accrued interest for financing received from P2P investors			356 814	265 480
Accrued interest for loans from related parties			121 489	-
Accrued interest for loan from bank			66 188	66 895
Accrued interest for loans from non related parties			-	42 255
		TOTAL:	**56 466 342**	**38 267 475**

30. Related party disclosures

The income and expense items with related parties for 2022 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	168 449	-
Interest expenses	(367 097)	-
Management services received from related	(104 243)	-
Sale of finance lease receivables to associated	-	-
Management services provided to associated	-	96 615

The income and expense items with related parties for 2021 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	738 421	-
Interest expenses	(1 719 044)	-
Management services received from related	(343 481)	-
Sale of finance lease receivables to associated	-	1 544 805
Management services provided to associated	-	292 947

The receivables and liabilities with related parties as at 30.06.2022. and 31.12.2021. were as follows:

	30.06.2022. EUR	31.12.2021. EUR
Amounts owed by related parties		
Loans to related parties	3 367 178	6 259 190
Trade receivables	42 655	475 823
Amounts owed to related parties		
Subordinated loans from shareholders of the Parent Company	18 976 762	17 300 238
Payables to related parties	355 788	305 856

30. Related party disclosures (continued)

Movement in amounts owed by related parties	Amounts owed by related parties
Amounts owed by related parties as of 01 January 2021	15 962 308
Receivables covered in period	(9 227 295)
Amounts owed by related parties as of 31 December 2021	6 735 013
Amounts owed by related parties as of 01 January 2022	6 735 013
Receivables covered in period	(3 325 180)
Amounts owed by related parties as of 30 June 2022	3 409 833

Movement in amounts owed to related parties	Amounts owed to related parties
Amounts owed to related parties as of 01 January 2021	12 442 033
Loans received in period	8 500 000
Loans repaid/settled in period	(5 045 273)
Interest calculated in period	1 719 044
Interest repaid/settled in period	-
Management services received in period	343 481
Management services paid in period	(343 481)
Change in other payables	(9 710)
Dividends calculated for minority shareholders	423 383
Dividends paid to minority shareholders	(423 383)
Amounts owed to related parties as of 31 December 2021	17 606 094
Amounts owed to related parties as of 01 January 2022	17 606 094
Loans received in period	16 459 676
Loans repaid/settled in period	(14 783 152)
Interest calculated in period	367 097
Interest repaid/settled in period	(367 097)
Management services received in period	104 243
Management services paid in period	(104 243)
Change in other payables	49 932
Dividends calculated for minority shareholders	-
Dividends paid to minority shareholders	-
Amounts owed to related parties as of 30 June 2022	19 332 549

31. Commitments and contingencies

Cooperation agreement with P2P platforms

Cooperation agreements with P2P platforms require to maintain positive amount of equity at all times in Latvia, Estonia, Georgia, Lithuania, Moldova, Romania, Belarus, Albania, North Macedonia and Kenya. Management of the Group monitors and increases the share capital if needed to satisfy this requirement. Additionally in accordance with the Cooperation agreement with P2P platforms, the Group has to maintain capitalization ratio of not less than 15% (fifteen percent) and interest coverage ratio of not less than 1.25.

In order to secure P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations, the Group has signed Covenant Agreements ang Guarantee Agreements with P2P platform companies AS Mintos Marketplace, SIA Mintos Finance No.1 and Mintos OU. Furthermore, certain Group's subsidiaries cooperating with P2P platform have signed commercial pledge agreements with P2P platform in order to secure their payments under the Cooperation agreements entered into with the P2P platform.

The Group is subject to additional financial covenants relating to its attracted funding through P2P platform. Group is regularly monitoring respective indicators and ensures that covenants are satisfied. The Group is in compliance with these covenants at 30 June 2022 and 31 December 2021.

Eleving Group S.A. bonds

There are restrictions in the prospectus for the bonds issued on the Frankfurt Stock exchange (ISIN (XS2393240887)). These financial covenants are the following:
(a) the Interest Coverage Ratio for the Relevant Period is at least 1.25;
(b) the Capitalization Ratio for the Relevant Period is at least 15%; and
(c) the Consolidated Net Leverage Ratio for the Relevant Period does not exceed 6.00x.

There are other limitations regarding additional and permitted debt, restricted and permitted payments, permitted loans and securities.
The Group is in compliance with all covenants during the entire reporting period.

Mogo AS bonds

There are restrictions in the prospectus for the bonds issued on the Nasdaq Baltic (ISIN: LV0000802452):
(a) The Capitalization Ratio shall in any case be at least:
- 8.00 per cent until 31 March 2021;
- 10.00 per cent until 30 June 2021; and
- 15.00 per cent until 30 September 2021 and until full repayment of the Bonds
(b) Starting as of 31 March 2021, the Interest Coverage Ratio shall be at least 1.25, calculated on:
- three (3) consecutive calendar months until the end of the interim quarter ending on 31 March 2021;
- six (6) consecutive calendar months until the end of the interim quarter ending on 30 June 2021;
- nine (9) consecutive calendar months until end of the interim quarter ending on 30 September 2021;
- twelve (12) consecutive calendar months until end of the financial year ending on 31 December 2021 and until full repayment of the Bonds.

During the reporting period the Group complied with all externally imposed capital requirements to which it was subjected to.

Other contingent liabilities and commitments

1) On 29 September 2017 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favor of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 29 September 2017.

2) On 2 November 2017 the subsidiary in Armenia Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favor of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

3) On 5 December 2017 the subsidiary in Latvia - mogo AS entered into a commercial pledge agreement with Mintos OU, in order to secure mogo AS obligations towards Mintos OU deriving from Cooperation agreement on issuance of loans No. 36/2017-L, dated 5 December 2017.

4) On 26 February 2018 the subsidiary in Latvia mogo AS entered into a surety agreement with Ardshinbank CJSC and Mogo LLC, in order to secure Mogo LLC obligations towards Ardshinbank CJSC deriving from loan agreement concluded between Ardshinbank CJSC and Mogo LLC on 26 February 2018. The principal amount of the loan agreement is EUR 1 000 000.

31. Commitments and contingencies (continued)

5) On 26 February 2018 the subsidiary in Georgia - Mogo LLC entered into an agreement on pledge of right of claim and funds with Ardshinbank CJSC, in order to secure Mogo LLC obligations towards Ardshinbank CJSC deriving from the loan agreement concluded between Ardshinbank CJSC and Mogo LLC on 26 February 2018.

6) Starting from 14 October 2021 Eleving Group and certain of its Subsidiaries entered into several pledge agreements with TMF Trustee Services GmbH, establishing pledge over shares of those Subsidiaries, pledge over present and future loan receivables of those Subsidiaries, pledge over trademarks of those Subsidiaries, general business pledge over those Subsidiaries, pledge over primary bank accounts if feasible, in order to secure Eleving Group obligations towards bondholders deriving from Eleving Group bonds (ISIN: XS2393240887). Subsequently additional pledgors were added who became material (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) according to terms and conditions of the bonds. The total amount of pledged assets as at 30 June 2022 was 247 293 996EUR. (2021: 237 564 209 EUR.)

7) Starting from 14 October 2021 Eleving Group as Issuer and certain of its Subsidiaries as Guarantors have entered into a guarantee agreement dated 14 October 2021 (as amended and restated from time to time) according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group bonds (ISIN: XS2393240887) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group bonds (ISIN: XS2393240887) offering memorandum.

8) On 27 November 2018 the subsidiary in Armenia Mogo UCO LLC entered into an agreement on pledge of right of claim and funds with Ardshinbank CJSC, pledging Mogo UCO LLC right of claim and funds, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 27 November 2017.

9) On 11 December 2018 the subsidiary in Latvia - mogo AS issued a payment guarantee No.2018.12.05 for the benefit of third party with a maximum liability not exceeding EUR 200 000, where the liability of mogo AS is limited to the performance of other subsidiary's AS Mogo Baltics and Caucasus obligations from the secured agreement with this party.

10) On 12 December 2018 the subsidiary in Latvia - mogo AS issued guarantee letters for the benefit of SIA Skanste City (previously SWH Grupa JSC) to secure other Subsidiary Eleving Vehicle Finance JSC (previously Mogo Group JSC) obligations from the secured office space lease agreements concluded on 12 December 2018. According to the guarantee letters the Company undertook to fulfil Eleving Vehicle Finance JSC obligations towards SIA Skanste City if they are overdue on liabilities under the agreements terms. The guarantees expire if the lease agreements are amended, renewed without prior written approval by the Company and is effective for the entire duration of the respective lease agreements. At the beginning of 2020 both lease agreements were amended and the Company provided the new guarantee to secure only obligations of Eleving Vehicle Finance JSC.

11) On 25 January 2019 the subsidiary in Latvia - Renti AS entered into a commercial pledge agreement with Mintos Finance Estonia OU, in order to secure Renti AS obligations towards Mintos Finance Estonia OU deriving from Cooperation agreement on issuance of loans No. 49/2018-L, dated 25 January 2019.

12) On 15 April 2019 Eleving Group as the guarantor and the subsidiary in Armenia - Mogo UCO LLC entered into a surety agreement with Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.☐

13) On 31 July 2019 the subsidiary in Latvia - mogo AS entered into a commercial pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between mogo AS and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

14) On 9 August 2019 the subsidiary in Estonia - mogo OÜ entered into a claims pledge agreement with Citadele banka AS, establishing a pledge over all present and future claims arising from certain agreements concluded between mogo OÜ and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

15) On 9 September 2019 the subsidiary in Lithuania - UAB mogo LT entered into a contractual pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between UAB mogo LT and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

16) On 17 September 2019 the subsidiary in Belarus - Mogo Kredit LLC entered into a pledge agreement over right of claim with CJSC Bank Resenije, establishing a pledge over certain receivables of Mogo Kredit LLC in favour of CJSC Bank Resenije, in order to secure Mogo Kredit LLC obligations towards CJSC Bank Resenije deriving from 2 credit contracts dated 17 September 2019.

17) On 26 September 2019 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge agreement over right of claim with Ardshinbank CJSC, establishing a pledge over certain receivables of Mogo UCO LLC in favor of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

18) On 3 November 2021 and 30 December 2021 20 March, 2020 the shareholder AS Eleving Consumer Finance Finitera of Kredo Finance (Albania) signed a Master Confirmation Agreement for Non-Deliverable Forward FX Transactions. This agreement covers the currency gap, which benchmark from Bank of Albania limits the currency exposure of less than 30% of capital, for only one currency.

19) On 22 July, 2020 O.C.N. Sebo Credit issued guarantee favor of private individual Tamara Paun to secure repayment of the loan issued by Tamara Paun to Rodica Paun. The loan was used to provide a subordinated loan to O.C.N. Sebo Credit.

20) On 26 January 2021, Eleving Group signed a guarantee whereby Eleving Group undertook to guarantee the fulfilment of AS mogo obligations towards its creditors under AS mogo Bonds (ISIN: LV0000802452) and their Terms and Conditions.

21) On 23 December 2021 Eleving Group signed a guarantee whereby Eleving undertook to guarantee the fulfilment of Kredo Finance (Albania) obligations towards Triana Bank under the loan agreement.

22) On 23 December 2021 Kredo Finance (Albania) singed a financial collateral agreement to pledge cash deposit to Triana Bank to secure the payments under respective loan agreement.

23) On 6 May 2022 the subsidiary in Latvia – mogo AS entered into a commercial pledge agreement with SIA Mintos Finance No.1 establishing a pledge over certain receivables of mogo AS in order to secure mogo AS obligations towards SIA Mintos Finance No.1 deriving from Cooperation Agreement No LVMM/06-07-2021-130, dated 6 May 2022.

24) On 18 May 2022 the subsidiary in Kenya – Mogo Auto Limited entered into charge of certain movable assets No.LVMM/06-07-2021-174 with SIA Mintos Finance No.1 establishing a pledge over certain receivables of Mogo Auto Limited in order to secure Mogo Auto Limited obligations towards SIA Mintos Finance No.1 deriving from Cooperation Agreement No. LVMM/06-07-2021-172.

25) On 8 August 2022 AS Eleving Vehicle Finance entered into a Put Option Agreement with Ropat Trust Company Limited to secure the payments of Mogo Auto Limited (Kenya) under its secured revolving loan notes program.

26) On 8 August 2022 Mogo Auto Limited (Kenya) entered into a Deed of Assignment with Ropat Trust Company Limited to secure the payments of Mogo Auto Limited (Kenya) under its secured revolving loan notes program.

32. Financial risk management

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

Operational risks

The Group takes on exposure to certain operational risks, which result from general and specific market and industry requirements.

Compliance risk
Compliance risk refers to the risk of losses or business process disruption resulting from inadequate or failed internal processes systems, that have resulted in a breach of applicable law or other regulation currently in place.

Regulatory risks
Group's operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing.
Formal licenses issued by respective regulators are required in all countries where the Group operates in, except for Lithuania, Georgia, Belarus, Moldova, Uzbekistan, Kazakhstan and Poland. The Group closely monitors all the changes in regulatory framework for each of the countries it operates in. The Group employs both in-house as well as outsourced legal specialists to assist in addressing any current or future regulatory developments that might have an impact on Group's business activities.

Anti-money laundering and Know Your Customer laws compliance risk
The Group is subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which it does business. The Group has put in place local anti-money laundering policies in those jurisdictions where it is required under local law to do so and in certain other jurisdictions. As a financial institution, the Group is required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks.
As a result, the Group often relies on anti-money laundering and know your customer checks performed by our customers' banks when such customers open new bank accounts, however Group has implemented further internal policies to minimize these risks. Group has put in place internal control framework to identify and report all suspicious transactions with a combination of IT based solutions and human involvement. Internal policies of the Group typically include customers' background check against sanctioned lists and other public sources as required by each local law.

Privacy, data protection compliance risk
The Group's business is subject to a variety of laws and regulations internationally that involve user privacy, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The Group has put in place an internal control framework consisting from a combination of IT based solutions and business procedures that are designed to capture any potential noncompliance matter before it has occurred and to ensure compliance with these requirements.

Market risks
The Group takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility or market rates or prices such as interest rates and foreign exchange rates.
The main financial risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk, and credit risk.

Foreign currency risk

The Group accepts the currency risk by issuing loans in local currencies and funding local operations mostly with EUR. Further currency risk is managed transaction wise by avoiding unnecessary conversions back and forth to settle payments and invoices in EUR. Also Group is constantly looking for ways to fund local country operations with local currency funds. The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

It is expected that Group's exposure to volatile foreign currencies will be continuing to decrease in future with Group's divestment of several of its subsidiaries. Additionally, the Group has started to proactively manage to foreign currency exposure risk towards USD, since in several of Group's largest markets local loan portfolios are linked to USD. The proactive management of USD exposure can be observed by forward contract purchases that have started already in 2020 and continued to do so in 2021 and 2022.

Interest rate risk
The Group is not exposed to interest rate risk because all of its assets and liabilities are interest bearing items with a fixed interest rate.

Financial risks

Capital risk management
The Group considers both equity capital as well as borrowings a part of overall capital risk management strategy.
The Group manages its capital to ensure that it will be able to continue as going concern. In order to maintain or adjust the capital structure, the Group may attract new credit facilities or increase its share capital. The Group fulfils externally imposed equity capital requirements.
The Group monitors equity capital on the basis of the capitalization ratio as defined in Eurobond prospectus. This ratio is calculated as Net worth (the sum of paid in capital, retained earnings, reserves and shareholder loan) divided by Net Loan portfolio.
In order to maintain or adjust the overall capital structure, the Group may issue new bonds, borrow in P2P platform or sell assets to reduce debt.
The management of the borrowings is driven by monitoring and complying the lender imposed covenants as well as planning the further borrowing needs to ensure business development of the Group.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
The Group manages its liquidity risk by arranging an adequate amount of committed credit facilities with related parties, P2P investors and by issuing bonds.
The Group monitors daily cash flows and plans for milestone dates for cash outflows to cover major liabilities like semi-annual interest payments for Eurobonds.
The Group regulates its issuances of new loans to ensure the adequate funds are available when upcoming larger settlement of liabilities is approaching.

Credit risk
The Group is exposed to credit risk through its finance lease receivables, loans and advances to customers, loans to related parties, trade and other receivables as well as cash and cash equivalents. Maximum credit risk exposure is represented by the gross carrying value of the respective financial assets. The key areas of credit risk policy cover lease granting process (including solvency check of the lease), monitoring methods, as well as decision making principles.
The Group collateralizes the finance lease assets it finances and provides loans in amount of no more than 85% of the market values of the collateral.
The Group operates by applying a clear set of finance lease granting criteria. This criteria includes assessing the credit history of customer, means of lease repayment and understanding the lease object. The Group takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Group sets the credit limit for each and every customer.
When the lease agreement has been signed, the Group monitors the lease object and customer's solvency. The Group has developed lease monitoring process so that it helps to quickly spot any possible non-compliance with the provisions of the agreement. The receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimized, and, where appropriate, provisions are being made.
The Group does not have a significant credit risk exposure to any single counterparty, but has risk to group of counterparties having similar characteristics.

32. Financial risk management (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.
In order to avoid excessive concentrations of risk, the Group is maintaining a diversified portfolio. It's main product is subprime lease, however it is offering also near prime lease, as well as instalment loan and long-term rent products.

Climate-related risk

'Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behavior and investor demand.
The Group has incorporated Climate related risks into a broader ESG policy that aims to assess the materiality of focus areas as well as defines future goals for 2025 (including climate related ones). The Group also reports on the extent to which its portfolio is associated with economic activities that are eligible to qualify as environmentally sustainable under the EU Taxonomy regulation.

33. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Instruments within Level 1 include highly liquid assets and standard derivative financial instruments traded on the stock exchange.
Fair value for such financial instruments as Financial assets at fair value through profit and loss is mainly determined based on publicly available quoted prices (bid price, obtainable from Bloomberg system). The management recognizes that cash and cash equivalents' fair value is the same as their carrying value therefore the risk of fair value change is insignificant.

Instruments within Level 2 include assets, for which no active market exists, such as over the counter derivative financial instruments that are traded outside the stock exchange, bonds, as well as other financial liabilities. Bonds fair value is observable in Frankfurt Stock Exchange public information. Fair value of bank loans is based on effective interest rate which represents current market rate to similar companies.

Instruments within Level 3 include loans and receivables.
Fair value of finance lease receivables and loans and advances to customers is determined using discounted cash flow model consisting of contractual lease and loan cash flows that are adjusted by expectations about possible variations in the amount and timings of cash flows using methodology consistent with the expected credit loss determination as at 31 December 2021 to determine the cash flows expected to be received net of impairment losses. The pretax weighted average cost of capital (WACC) of the entity holding the respective financial assets is used as the basis for the discount rate. The WACC is based on the actual estimated cost of equity and cost of debt that reflect any other risks relevant to the leases and loans that have not been taken into consideration by the impairment loss adjustment described above and also includes compensation for the opportunity cost of establishing a similar lease or loan. An additional 1.5 to 4.1% is added to the discount rate as an adjustment to consider service costs of the portfolio that are not captured by the cash flow adjustments.
The annual discount rate was determined between 11.04% and 20.82% depending on the Group's component holding the respective financial asset.
Impairment loss is estimated by applying PD and LGD rates.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's statement of financial position at their fair value:

	Carrying value 30.06.2022. EUR	Fair value 30.06.2022. EUR	Carrying value 31.12.2021. EUR	Fair value 31.12.2021. EUR
Assets for which fair value is disclosed				
Loans to related parties	3 367 178	3 367 178	6 259 190	6 259 190
Finance lease receivables*	131 415 180	186 583 667	112 359 715	159 528 661
Loans and advances to customers*	133 291 439	184 862 015	122 492 144	169 884 463
Other loans and receivables	1 220 691	1 220 691	2 930 143	2 930 143
Trade receivables	4 171 893	4 171 893	3 572 084	3 572 084
Other receivables	4 230 666	4 230 666	3 268 219	3 268 219
Cash and cash equivalents	13 239 982	13 239 982	10 127 087	10 127 087
Total assets for which fair value is disclosed	**290 937 029**	**397 676 093**	**261 008 582**	**355 569 847**
Liabilities for which fair value is disclosed				
Borrowings				
Loan from related parties	3 286 762	3 286 762	17 300 238	17 300 238
Eleving Group S.A. bonds	143 510 044	134 449 103	139 293 294	146 038 127
Mogo AS bonds	29 296 056	30 353 359	29 888 753	31 229 753
Lease liabilities for right-of-use assets	12 824 152	12 824 152	9 207 380	9 207 380
Long term loan from banks	33 913 168	33 913 168	7 484 236	7 484 236
Financing received from P2P investors	44 675 043	44 675 043	61 919 937	61 919 937
Other borrowings	23 132 224	23 132 224	2 931 011	2 931 011
Trade payables	2 313 802	2 313 802	2 698 423	2 698 423
Other liabilities	1 543 045	1 543 045	888 273	888 273
Total liabilities for which fair value is disclosed	**294 494 296**	**286 490 658**	**271 611 545**	**279 697 378**
Liabilities measured at fair value				
Other financial liabilities	715 379	715 379	2 251 994	2 251 994
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**295 209 675**	**287 206 037**	**273 863 539**	**281 949 372**

* - The magnitude of excess of the fair value over the carrying value of finance lease receivables and loans and advances to customers is consistent as at 30.06.2022 and as at 31.12.2021. The precise quantification of fair value of finance lease receivables as at 30.06.2022 has not been estimated as considered impracticable due to fair value estimation being a resource-intensive task and thus bearing high costs, but the value is calculated proportionally to previos period propotions.

33. Fair value of financial assets and liabilities (continued)

The table below specified analysis by fair value levels as at 30 June 2021 and 31.12.2021 (based on their fair values):

	Level 1 30.06.2022. EUR	Level 2 30.06.2022. EUR	Level 3 30.06.2022. EUR	Level 1 31.12.2021. EUR	Level 2 31.12.2021. EUR	Level 3 31.12.2021. EUR
Assets for which fair value is disclosed						
Loans to related parties	-	-	3 367 178	-	-	6 259 190
Finance lease receivables	-	-	186 583 667	-	-	159 528 661
Loans and advances to customers	-	-	184 862 015	-	-	169 884 463
Other loans and receivables	-	-	1 220 691	-	-	2 930 143
Trade receivables	-	-	4 171 893	-	-	3 572 084
Other receivables	-	-	4 230 666	-	-	3 268 219
Cash and cash equivalents	13 239 982	-	-	10 127 087	-	-
Total assets for which fair value is disclosed	**13 239 982**	**-**	**384 436 111**	**10 127 087**	**-**	**345 442 760**
Liabilities for which fair value is disclosed						
Borrowings						
Loan from related parties	-	-	3 286 762	-	-	17 300 238
Eleving Group S.A. bonds	-	134 449 103	-	-	146 038 127	-
Mogo AS bonds	-	-	30 353 359	-	-	31 229 753
Lease liabilities for right-of-use assets	-	-	12 824 152	-	-	9 207 380
Long term loan from banks	-	-	33 913 168	-	-	7 484 236
Financing received from P2P investors	-	-	44 675 043	-	-	61 919 937
Other borrowings	-	-	23 132 224	-	-	2 931 011
Trade payables	-	-	2 313 802	-	-	2 698 423
Other liabilities	-	-	1 543 045	-	-	888 273
Total liabilities for which fair value is disclosed	**-**	**134 449 103**	**152 041 555**	**-**	**146 038 127**	**133 659 251**
Liabilities measured at fair value						
Other financial liabilities	-	-	715 379	-	-	2 251 994
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**-**	**134 449 103**	**152 756 934**	**-**	**146 038 127**	**135 911 245**

Bonds issued by Eleving Group S.A. have been classified as Level 2 fair value measurement given that there are observable market quotations in markets. The market for Mogo AS bonds is not assessed as an active market thus classified as Level 3. Fair value of the bonds has been determined based on observable quotes and management assessment why the quotes are representative of the fair values and are subject to any adjustments.
There have been no transfers between fair value hierarchy levels during 2022 and 2021.

34. Share-based payments

General Employee Share Option Plan

The Group may grant share options of Subsidiaries to its employees. Share options are generally awarded on the first day of employment. The share options vest within four year time with front loaded vesting of 25% of the granted shares after one year of employment. The maximum term of options granted is 4 years.

Fair value of the respective share options

The fair value of share options granted is estimated at the date of grant. Group's management has assessed that the fair value of the respective share options is not material. Accordingly, no expense and liability arising from these equity-settled share-based payment transactions is recognized.

The exercise price of the share options under typical circumstances is equal to the nominal price of the underlying shares. The contractual maximum term of the share options are till 2023. There are cash settlement alternatives. Given absence of an ongoing sale of subsidiaries or Eleving Group S.A. or any listing process initiated and any other relevant cash settlement events, cash settlement is considered not to be probable. The Group does not have a past practice of cash settlement for these awards and the Group does not have a present obligation to settle in cash.

35. Segment information

For management purposes, the Group is organized into business units based on their geographical locations and on internal management structure, which is the basis for reporting system. During reporting year the Group restructured management structure therefore operating segments have been change.
These consolidated financial statements provide information on the following operating segments. Comparative figures reflect segments according to previous years structure.
- Eleving Luna. This is the major segment of the Group representing entities performing car financing activities in Georgia and Armenia.
- Eleving Stella. This is the major segment of the Group representing entities performing car financing activities in Latvia, Lithuania, Romania, Moldova and Belarus.
- Eleving Solis. This is the major segment of the Group representing entities performing car financing activities in Uzbekistan, Kenya and Uganda.
- Entities performing consumer loan financing activities. This is the major segment of the Group representing entities performing activities in Moldova, Armenia and Ukraine.
- Discontinued operations. This group includes entities from countries where the Group has decided to exit from geographical markets. Countries include Estonia, Kazakhstan, Bulgaria, Bosnia-Herzegovina, Albania and North Macedonia.

- Other segments. This segment comprises Group's business lines with aggregate unconsolidated revenue below 10% of the total unconsolidated revenue of all operating segments.
- Other. The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments hence these are presented in "Other".

Management monitors mainly the following indicators of operating segments for the purpose of making decisions about resource allocation and performance assessment: net revenue, profit before tax, gross portfolio and impairment. Other segment is not monitored on segment level but on comprising subsidiaries level.

The Group`s Chief operating decision maker is Group`s CEO.
Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.
No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2021 or 2022.
Segment information below shows main income and expense items of comprehensive income statement. Other smaller income and expense items are summarized and shown under 'Other income/(expense)' column.

35. Segment information (continued)

Segment information for the period ended on 30 June 2022 is presented below:

Operating segment	Interest income	Interest expenses	Impairment expense*	Other operating income/ (expense)	Corporate income tax	Segment profit/(loss) for the period	Total assets	Total liabilities
Eleving Luna	6 098 143	(833 634)	(691 685)	(565 753)	(253 334)	3 753 737	46 335 938	17 673 629
Eleving Stella	22 994 811	(9 547 245)	(2 350 927)	(6 056 651)	(907 558)	4 132 430	216 865 421	189 907 691
Eleving Solis	*29 374 797*	*(6 479 186)*	*(6 349 080)*	*(12 950 502)*	*(2 499 275)*	*1 096 754*	121 229 782	120 152 652
Entities performing consumer loan financing	31 028 965	(2 515 928)	(16 272 607)	(6 122 054)	(981 738)	5 136 638	76 152 073	51 398 061
Discontinued operations	2 723 822	(737 057)	(264 493)	(2 334 662)	-	(612 390)	26 434 112	18 741 008
Other segments	(338 760)	(1 892 162)	-	443 849	(2 558)	(1 789 631)	44 564 093	40 491 936
Total segments	91 881 778	(22 005 212)	(25 928 792)	(27 585 773)	(4 644 464)	11 717 537	531 581 419	438 364 977
Other	10 045 464	(9 876 417)	1 154	(933 451)	(2 408)	(765 658)	163 196 380	176 733 843
Total	**101 927 242**	**(31 881 629)**	**(25 927 638)**	**(28 519 224)**	**(4 646 872)**	**10 951 879**	**694 777 799**	**615 098 820**
Adjustments and eliminations	(18 662 917)	17 233 283	487 957	(2 548 463)	-	(3 490 140)	(336 680 307)	(299 683 929)
Consolidated	**83 264 325**	**(14 648 346)**	**(25 439 681)**	**(31 067 687)**	**(4 646 872)**	**7 461 739**	**358 097 492**	**315 414 891**

* - includes net gain/(loss) from de-recognition of financial assets measured at amortized cost.

Revenue	2022 EUR
External customers (interest income and other income)	70 670 398
Inter-segment (interest income and other income)	21 211 380
TOTAL:	**91 881 778**

Reconciliation of profit	2022 EUR
Segment profit	11 717 537
Profit/(loss) from other	(765 658)
Elimination of inter-segment revenue	(21 211 380)
Elimination of intragroup interest income	(18 662 920)
Elimination of intragroup other income/(expenses)	(2 548 460)
Elimination of inter-segment expenses	17 721 240
Elimination of intragroup interest expenses	17 233 283
Elimination of impairment expenses	487 957
Consolidated profit for the period	7 461 739

	30.06.2022. EUR
Reconciliation of assets	
Segment operating assets	531 581 419
Loans to subsidiaries	-
Loans to non related parties	33 001
Other short term receivables	163 163 379
Elimination of intragroup loans	(145 558 054)
Elimination of other intragroup receivables	(191 122 253)
Total assets	358 097 492
Reconciliation of liabilities	
Segment operating liabilities	438 364 977
Borrowings	144 146 418
Other liabilities	32 587 425
Elimination of intragroup borrowings	(301 849 170)
Elimination of other intragroup accounts payable	2 165 241
Total liabilities	315 414 891

35. Segment information (continued)

Segment information for the period ended on 30 June 2021 is presented below:

Operating segment	Interest income	Interest expenses	Impairment expense*	Other operating income/ (expense)	Corporate income tax	Segment profit/(loss) for the period	Total assets	Total liabilities
Eleving Luna	4 257 516	(1 201 087)	(1 512 661)	(4 648 998)	429 179	(2 676 051)	40 053 025	22 884 628
Eleving Stella	19 918 762	(7 066 315)	119 759	(6 111 939)	(803 477)	6 056 791	168 878 803	136 316 860
Eleving Solis	12 593 637	(3 277 871)	(2 485 280)	(5 271 378)	(764 571)	794 537	63 270 303	65 294 930
Entities performing consumer loan financing	28 547 915	(1 932 027)	(11 183 986)	(5 311 455)	(879 815)	9 240 632	58 931 631	35 409 954
Discontinued operations	4 723 443	(1 271 213)	(67 681)	2 130 548	(83 488)	5 431 609	34 585 009	18 185 036
Other segments	(70 134)	(709 067)	(416 543)	108 741	(3 000)	(1 090 003)	11 577 178	7 682 332
Total segments	69 971 139	(15 457 580)	(15 546 391)	(19 104 481)	(2 105 172)	17 757 515	377 295 949	285 773 740
Other	5 811 669	(9 807 889)	-	3 442 635	(8 273)	(561 858)	101 088 504	151 916 065
Total								
Adjustments and eliminations	(15 994 101)	10 912 959	229 647	(5 742 309)	(104 577)	(10 698 381)	(186 808 871)	(176 081 880)
Consolidated	**59 788 707**	**(14 352 510)**	**(15 316 744)**	**(21 404 155)**	**(2 218 022)**	**6 497 276**	**291 575 582**	**261 607 925**

* - includes net gain/(loss) from de-recognition of financial assets measured at amortized cost.

Revenue	2021 EUR
External customers (interest income and other income)	48 234 729
Inter-segment (interest income and other income)	21 736 410
TOTAL:	**69 971 139**

	2021 EUR
Reconciliation of profit	EUR
Segment profit	17 757 515
Profit from other	(561 858)
Elimination of inter-segment revenue	(21 736 410)
Elimination of intragroup interest income	(10 318 554)
Elimination of intragroup income from dividends	(6 543 746)
Elimination of intragroup other income/(expenses)	(5 144 418)
Elimination of intragroup income from dealership commissions	270 308
Elimination of inter-segment expenses	11 038 029
Elimination of intragroup interest expenses	10 912 959
Elimination of impairment expenses	229 647
Elimination of other expenses	(104 577)
Consolidated profit for the period	6 497 276

	30.06.2021. EUR
Reconciliation of assets	
Segment operating assets	377 295 949
Loans to subsidiaries	88 882 122
Loans to non related parties	5 294 949
Other short term receivables	6 911 433
Elimination of intragroup loans	(188 198 556)
Elimination of other intragroup receivables	1 389 685
Total assets	291 575 582
Reconciliation of liabilities	
Segment operating liabilities	285 773 740
Borrowings	94 581 882
Other liabilities	57 334 183
Elimination of intragroup borrowings	(188 000 056)
Elimination of other intragroup accounts payable	11 918 176
Total liabilities	261 607 925

36. Events after balance sheet date

1) As of 1 July 2022 the Group has launched a new business line in Latvia under the brand of OX Drive. The subsidiary in Latvia provides rental (car sharing) services of Teslas.
2) The Group has sold additional 1.4 million EUR of its bonds.
3) The Group has repaid additional 1.2 million EUR of its subordinated borrowings.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or Notes thereto.

Signed on behalf of the Group on 15 September 2022 by:

Māris Kreics
Type A director

Delphine Glessinger
Type B director