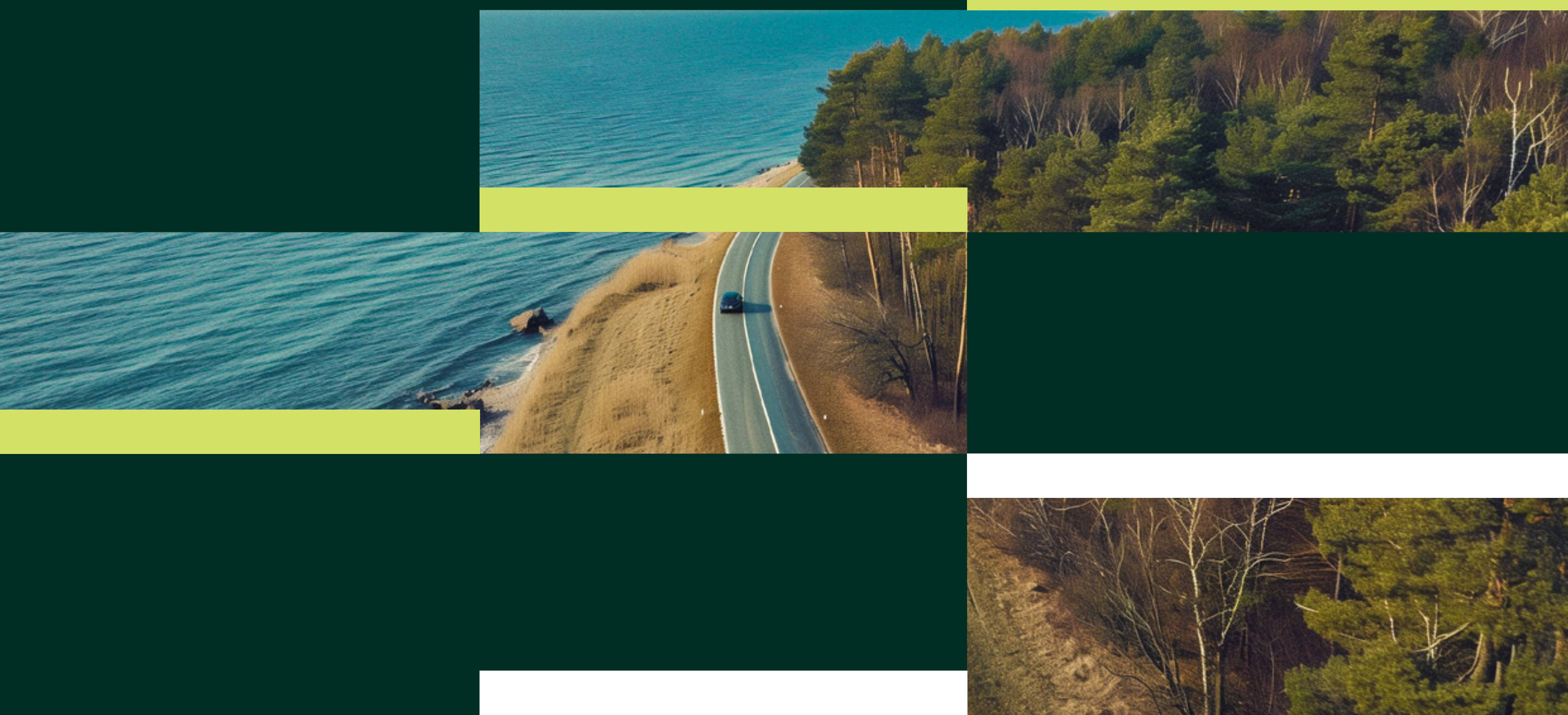
Eleving GROUP

Unaudited results for the three months ended 31 March 2024



Content

3 months at a glance

243 000
Total Number of Active Customers

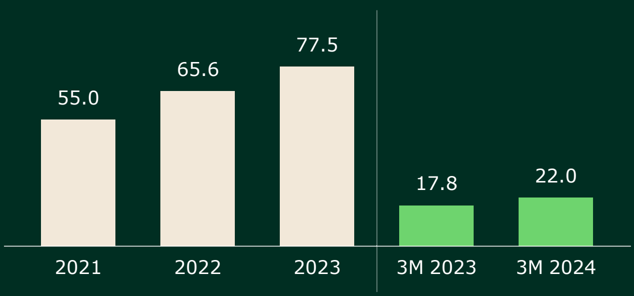
EUR 22.0 mln[1]
EBITDA, 3M 2024

EUR 330.5 mln
Vehicle and Consumer Financing Net Portfolio

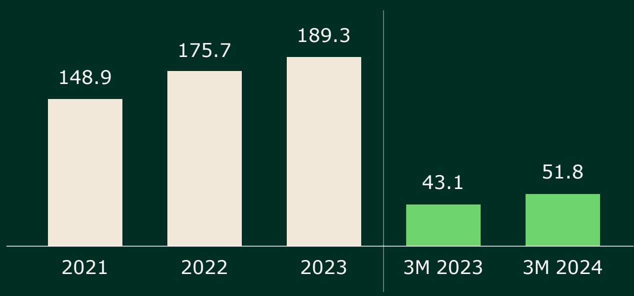
EUR 51.8 mln[2]
Revenues, 3M 2024

All-time best quarterly EBITDA[1] — EUR 22.0 mln

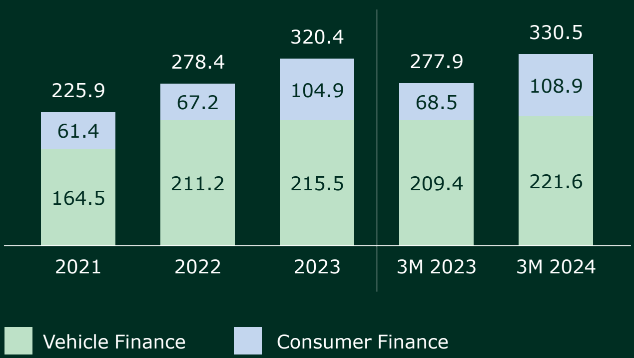
EBITDA, EUR mln[1]



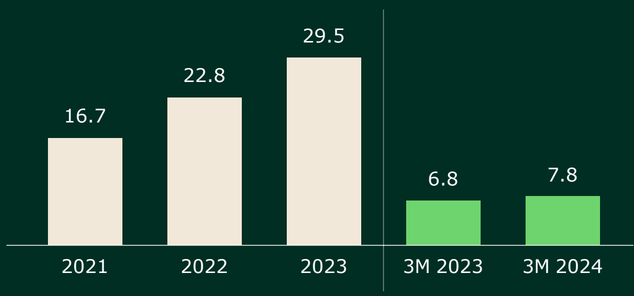
Revenue, EUR mln[2]



Net portfolio, EUR mln



Net profit before FX, EUR mln[3]



[1] 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln; and a decrease by: (a) non-controlling interests EUR 5.0 mln. 2022 EBITDA adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 3.3 mln. 2023 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 4.4 mln. 3M 2023 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 0.7 mln. 3M 2024 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 1.2 mln.

[2] Adjusted with fair value gain on acquisition in 2021 in the amount of EUR 3.2 mln.

[3] 2021 adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. 2022 adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln. 2023 adjusted with an increase by one-off costs of: (a) solidarity tax payment in North Macedonia EUR 1.2 mln.

Strong performance and excellent profitability

Operational and Strategic Highlights

- Eleving Group finished the first quarter of 2024 with exceptional consolidated results, recording revenues of EUR 51.8 mln, up by over 20% compared to the respective reporting period a year ago.
- The Group's adjusted EBITDA reached its all-time best quarterly result of EUR 22.0 mln, a significant leap of close to 24% compared to the respective reporting period a year ago.
- The net portfolio increased to EUR 330.5 mln at the end of the first quarter, up by 19%, compared to EUR 278.0 mln in Q1 of 2023. Meanwhile, the loan issuance volumes were improved to EUR 79.0 mln, an increase of 27% compared to the respective reporting period a year ago.
- A diversified portfolio alongside a well-balanced revenue stream from all key business segments:
  - Flexible lease and subscription-based products contributed EUR 11.4 mln to the revenues.
  - Traditional lease and leaseback products contributed EUR 18.1 mln to the revenues.
  - The consumer loan segment contributed EUR 22.3 mln to the revenues.
- In January, the Group received all the necessary approvals from Belarusian government authorities regarding the Mogo Belarus sale, and it can be considered that Eleving Group has successfully exited the respective market. As of April, most of the payments for the business have been received.
- In late Q1, Eleving Group mandated LHV Pank (Estonia) to act as the Lead Arranger for a potential external equity raise in the Baltics and Europe. The company aims to raise additional equity to facilitate further business growth, potentially resulting in new products and markets. An IPO is one of the avenues under consideration.
- In March, following the strong interest from local investors during the Group's previous bond issuances and with a goal to simplify the process of buying and selling the Group's 2021/2026 bonds (ISIN XS2393240887), previously listed exclusively on the Frankfurt Stock Exchange, the respective instrument was additionally listed on the Nasdaq Riga regulated bond market.
- During the first quarter, the Group saw an increasing demand for its green mobility products in the African region. Electric motorcycle (e-boda) product in Kenya recorded more loans issued in the first three months than in the entire year of 2023.

Financial Highlights and Progress

- Solid profitability as evidenced by strongest-ever business financials:
  - Adjusted EBITDA of EUR 22.0 mln (1Q2023: EUR 17.8 mln).
  - Net profit before FX 7.8 mln (1Q2023: EUR 6.8 mln).
  - Net profit of 5.4 mln (1Q2023: EUR 5.1 mln).
  - Total net loan and pre-owned vehicle rent portfolio of EUR 330.5 mln (4Q2023: EUR 320.4 mln).
  - 1Q2024 ended with a healthy financial position, supported by the capitalization ratio of 26.9% (31 December 2023: 26.1%), ICR ratio of 2.4 (31 December 2023: 2.3), and net leverage of 3.5 (31 December 2023: 3.7), providing an adequate and stable headroom for Eurobond covenants.
- Eleving Group is further diversifying its debt profile and tapping into various channels, primarily in local currencies, to limit foreign exchange exposure.
  - The Group has continued to diversify its outside debt structure by attracting EUR 10 mln from ACP Credit for business development in Romania.
  - In March, the Group closed a deal with Private Capital Trust in Namibia. A total of NAD 50 mln (about EUR 2.5 mln) funding was secured for a one-year term in the local currency.
  - In early April, the Group secured funding in the local currency with Morula Capital Partners for a total facility of BWP 45 mln (approximately EUR 3.0 mln) in Botswana, with different underlying tranche maturities—6 to 18 months.
- The Group is actively continuing to tap the Mintos marketplace for loans platform. As of the end of the first quarter, the Group had outstanding loans of EUR 71.7 mln on Mintos (compared to EUR 63.9 mln as of 31 December 2023), an increase of EUR 7.8 mln. The weighted average annual funding cost for Mintos has been reduced from 10.7% to 9.5%, which brings significant interest expense reduction for the Group, further improving its profitability.
- During the first quarter, the Group increased its equity by EUR 4.9 mln compared to 31 December 2023 (EUR 7.6 mln of it was due to positive contribution from Total profit, while rest relates to changes in subordinated debt position), further solidifying its capital base for future growth.
- On 2 April, the Group's subsidiary in Latvia—Mogo AS—successfully repaid its 2021/2024 bonds (ISIN LV0000802452) that matured on 31 March 2024. Bondholders who did not exchange their Mogo AS 2021/2024 bonds for the senior secured and guaranteed Eleving Group 2023/2028 bonds (ISIN DE000A3LL7M4) during the exchange offer last October have received full repayment of their investment.

Comments from Eleving Group CEO and CFO

Modestas Sudnius
CEO of Eleving Group

In the first quarter, the Group demonstrated exceptional performance in all key financial indicators, recording historically strong profitability while also returning to higher growth levels. It comes from strong performance across all our business lines, a good-quality portfolio, and from maintaining a stable expense level.

Our sales were exceptional, and we started 2024 with almost the same issuance levels as we finished last year, though, typically, Q1 is a slower quarter due to seasonality. It resulted from the successful integration of Sub-Saharan business obtained in the previous year, from unlocking additional market opportunities and weakened competition in markets like Romania, Armenia, and Kenya. We see that our strategy of stricter underwriting and cost-efficient management, applied over the last few years, has paid off, and now we can return to more accelerated growth without sacrificing the quality of the portfolio.

A short while ago, we publicly announced that we are assessing external equity-raising to finance future growth. As a result, we have mandated LHV Pank to advise us on external equity-raising opportunities in the Baltics and Europe. We do not rule out an IPO as one of the routes Eleving Group could take. With a successful external equity raise, we can expect to open new markets and expand our product offer in the short- to mid-term. We plan to grow our portfolio further, strengthen our capital structure, and continue diversifying our debt stack with deals closed in Q1 2024.

Also, the ESG angle will remain among our priorities with active investments in supporting green mobility products across our markets and strengthening our corporate governance structure – introducing a supervisory board and announcing dividend policy in upcoming months. All of that will further enhance the transparency and fundability of the company.

It is worth noting that we have finalized the exit from Belarus and now have sizeable capital deployed only in operational markers, which we are eager to develop further. This, together with recently significantly decreased exposure to volatile currencies through raising debt in local currency or entering into currency hedge solutions, also decreases the Group's exposure to outside factors, and reduces business risk as we advance.

Overall, the first chapter of the year has started on a very positive note, and we look forward to the rest of the year. The main goals of this year are to i) continue prudent organic growth, but at a higher level compared to previous periods; ii) prepare for the launch of new products and markets in 2024; iii) focus on raising outside equity to support further growth and strengthen the company while still maintaining a solid profitability and equity return ratios.

This has been another robust quarter for our global business, delivering near-outstanding results in all key business metrics. The Group generated revenues of EUR 51.8 mln, up by 20% compared to the respective period a year ago, and a net portfolio of EUR 330.5 mln, which is a 19% increase compared to 1Q 2023. The corresponding adjusted EBITDA for this period reached EUR 22.0 mln, compared to EUR 17.8 mln in the corresponding period last year. Furthermore, the net profit before FX reached EUR 7.8 mln, an increase of around 15% compared to the three-month period of 2023.

During the first quarter, the negative impact of foreign currency exchange we saw in the previous two quarters decreased, and our hedging solutions played a fundamental role in this. On top of that, borrowing in local currency has been part of our fundraising strategy for some time and further helps reduce the respective foreign currency exchange risks. We achieved tangible results in this area in Namibia and Botswana, by raising more than EUR 5.5 million for portfolio growth in both countries combined. Meanwhile, in cooperation with ACP Credit, we attracted significant external debt partner for the first time since we started the operations in Romania, resulting in a EUR 10 million investment for Mogo Romania. In the future, one of our main challenges will remain to continue diversifying our debt profile by exploring new funding channels and formats. Within the Mintos marketplace, we have successfully lowered the weighted average annual funding to approximately 9.5%. This reduction in interest expenses will help to enhance the Group's profitability.

Also, on 31 March, we met the maturity of Mogo AS 2021/2024 bonds (ISIN LV0000802452). As a result, the Group's subsidiary in Latvia—Mogo AS—successfully repaid to the bondholders a total of EUR 17.2 mln that was not previously exchanged into the Eleving Group 2023/2028 senior secured and guaranteed bonds (ISIN DE000A3LL7M4) issued last October.

The recent results show that the Group holds a strong position and a healthy balance sheet, which are the fundamentals for successfully tapping capital market opportunities and solid business performance in the long run.

Māris Kreics
CFO of Eleving Group

Business outlook (2024)

Operational excellence and consistent growth

Healthy organic growth

Explore new growth opportunities

New-generation digital solutions

Attract outside equity

Diversified funding structure

FX risk management

Streamlined governance

Climate impact mitigation

Processes

Maintain healthy organic growth across existing products and markets, **targeting a 5-20% growth rate** depending on the market.

Scale up portfolio operations in recently integrated South African region consumer lending markets, with core focus on creating sustainable financial products for the underserved population.

Roll out SME financing product in existing European markets – launch the first market in 2024.

In 2024, **explore opportunities to launch new vehicle financing markets** with the goal to open a new market in Q1 2025.

Explore M&A opportunities in the markets for both entering the SME segment and entering a new market.

Become a leading Electric motorcycle financier (financing new EVs and retrofitting used petrol bikes) in the Eastern Africa region.

Roll out new generation 2.0 digital solutions (client cabinet, auto-process, car portal) across all Eleving Vehicle Finance markets.

Capital management

Explore opportunities to raise outside equity in 2024 for further company's growth.

Further focus on fundraising initiatives to supplement the existing capital structures of different markets with local currency funding and unlock new debt funding avenues, especially in East African markets, to facilitate growth and mitigate the FX gap. Also, explore other FX hedging opportunities and options.

Diversify and improve debt structure while raising additional debt across markets with a specific focus on financing partners with an impact focus.

Finalize **an exit from Belarus**.

Governance and Social impact

Implement a **Group-wide environmental activity** across all markets.

Reduce the carbon footprint arising from the company's portfolio by **implementing carbon offsetting projects in Kenya and Uganda**.

Continue the improvement of the company's processes and policies to maintain a sustainable and transparent business and reporting practice according to CSRD standards.

Build an **independent supervisory board** following the best corporate governance practices.

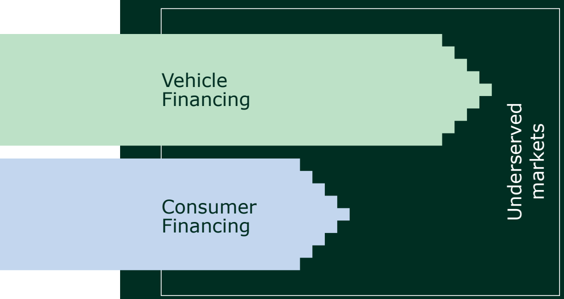
Publish **a dividend policy**.

A Way
Way Up

About Eleving Group

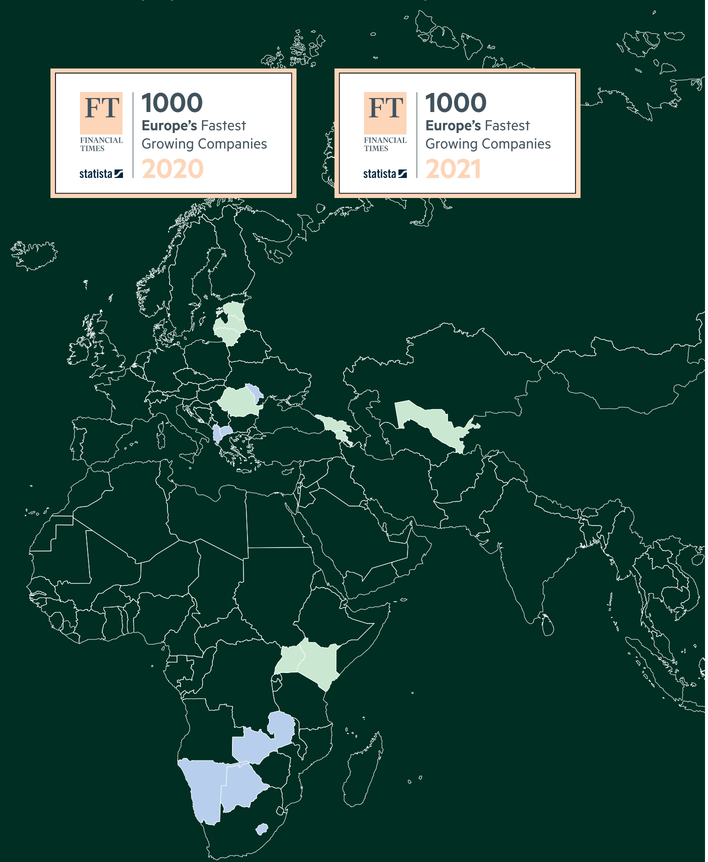
Our approach

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



Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with 2 718 employees and 243 000 active loyal customers.



Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 16 countries across 3 continents.

Conference call

On 15 May

A conference call in English with the Group's management team to discuss these results is scheduled for 15 May 2024, at 15:00 CET.

Contact

Māris Kreics
Chief Financial Officer (CFO)
maris.kreics@eleving.com

Conference call access information

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the three months period ended 31 March 2023 and 31 March 2024.

EUR million	3M 2023	3M 2024	Change (%)
Interest and similar income	40.3	48.4	20.1%
Interest expense and similar expenses	(8.6)	(10.1)	17.4%
Net interest income	**31.7**	**38.3**	**20.8%**
Fee and commission income	1.7	2.5	47.1%
Income from used vehicle rent	1.1	0.9	(18.2%)
Total net revenue	**34.5**	**41.7**	**20.9%**
Impairment expense	(9.6)	(9.5)	(1.0%)
Operating expense and income	(17.0)	(21.5)	26.5%
Net foreign exchange result	(1.7)	(2.4)	41.2%
Profit before tax	**6.2**	**8.3**	**33.9%**
Corporate income tax	(1.1)	(2.9)	163.6%
Total net profit for the period without FX and discontinued operations	6.8	7.8	14.7%
Net profit for the period	**5.1**	**5.4**	**5.9%**

Interest, similar income and income from used vehicle rent

EUR million	3M 2023	3M 2024	Change (%)
Flexible lease and subscription based products	**13.0**	**11.4**	**(12.3%)**
Interest and similar income	11.6	10.3	(11.2%)
Rental income	1.1	0.9	(18.2%)
Fee and commission income	0.3	0.2	(33.3%)
Traditional lease and leaseback products	**16.2**	**18.1**	**11.7%**
Interest and similar income	15.5	17.0	9.7%
Fee and commission income	0.7	1.1	57.1%
Consumer lending products	**13.9**	**22.3**	**60.4%**
Interest and similar income	13.2	21.1	59.8%
Fee and commission income	0.7	1.2	71.4%
Average net loan and used vehicle rent portfolio	**278.2**	**325.5**	**17.0%**
Average income yield on net loan and used vehicle rent portfolio	**62.0%**	**63.7%**	**1.7 p.p.**

Flexible lease and subscription based products revenues decreased by 12.3% to EUR 11.4 million (3M 2023: EUR 13.0 million) due to stricter underwriting during quarter in the motorcycle-taxi segment in East Africa and sold Renti Plus business operations in July 2023.

Traditional lease and leaseback products revenues increased by 11.7% to EUR 18.1 (3M 2023: EUR 16.2 million) mainly driven by portfolio growth in Romania and Armenia, however, nearly all other Group's markets also experienced positive incremental growth.

Lastly, consumer lending products revenues increased by 60.4% to EUR 22.3 million (3M 2023: EUR 13.9 million). Main driver for the solid revenue increase was the the integration of the Express Credit business and successful results from the consumer segment in the Balkans.

Interest expense and similar expense

Interest expense and similar expense increased by 17.4% to EUR 10.1 million (3M 2023: EUR 8.6 million) driven by the increase in total borrowings to EUR 332.2 million (31 December 2023: EUR 310.6 million).

Income from used vehicle rent

Income from used vehicle rent decreased by 18.2% to EUR 0.9 million (3M 2023: EUR 1.1 million). Due to partial vehicle rental portfolio sale, the total used vehicle rental fleet decreased to EUR 6.9 million (31 December 2023: EUR 7.1 million).

Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables decreased by 1.8% to EUR 5.5 million (3M 2023: EUR 5.6 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 7.3% (conservative 35+ days past due) of the total net portfolio (31 December 2023: 7.5%) with provision coverage ratio of 88.6% (31 December 2023: 86.2%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables increased by 1.2% to EUR 4.0 million (3M 2023: EUR 4.0 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 4.6% (90+ days past due) of the total net portfolio (31 December 2023: 4.5%) with provision coverage ratio of 120.6% (31 December 2023: 119.2%).

Operating expense

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

EUR million	3M 2023	3M 2024	Change (%)
Employees' salaries	7.9	9.5	20.3%
Marketing expenses	1.6	1.7	6.2%
Office and branch maintenance expenses	0.7	0.9	28.6%
Professional services	0.6	1.0	66.7%
Amortization and depreciation	2.0	2.4	20.0%
IT services	1.1	1.5	36.4%
Tax expenses	0.5	1.0	100.0%
Other operating expenses (net)	2.6	3.5	34.6%
Total operating expense	**17.0**	**21.5**	**26.5%**

The total operating expense for the period increased to EUR 21.5 million (3M 2023: EUR 17.0 million).

Salaries increased by 20.3% to EUR 9.5 million (3M 2023: EUR 7.9 million), comprising 44.2% of the total operating expenses (3M 2023: 46.5%). Meanwhile, marketing expenses, with effective cost of EUR 13 per loan issued, accounted for 7.9% of the total operating expenses (3M 2023: 9.4%).

Profit before tax

The consolidated profit before taxes increased by 33.9% and amounted to EUR 8.3 million (3M 2023: EUR 6.2 million).

Corporate income tax

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

EUR million	3M 2023	3M 2024	Change (%)
Corporate income tax	(2.5)	(3.4)	36.0%
Deferred tax	1.4	0.5	-64.3%
Total corporate income tax	**(1.1)**	**(2.9)**	**163.6%**

Profit for the period

The consolidated net profit for the period increased by 5.9% and amounted to EUR 5.4 million (3M 2023: EUR 5.1 million).

Alternative performance measures (non-IFRS)

EUR million	3M 2023	3M 2024	Change (%)
Profit for the period	5.1	5.4	5.9%
Provisions for taxes	1.1	2.9	163.6%
Interest expense	8.6	10.1	17.4%
Depreciation and amortization	2.0	2.4	20.0%
Currency exchange (gain)/loss	1.7	2.4	41.2%
EBITDA	**18.5**	**23.2**	**25.4%**
Non-controlling interests	(0.7)	(1.2)	72.9%
Adjusted EBITDA	**17.8**	**22.0**	**23.5%**

Condensed consolidated balance sheet

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

EUR million	31 Dec. 2023	31 Mar. 2024
Intangible assets	22.5	22.8
Tangible assets	13.5	14.0
Loans and lease receivables and rental fleet	320.4	330.5
Deferred tax asset	8.9	10.1
Inventories	4.8	3.8
Non-current assets held for sale	0.5	1.2
Other receivables	13.6	11.8
Assets of subsidiary held for sale	9.6	9.0
Cash and cash equivalents	27.5	48.4
Total assets	**421.3**	**451.6**

EUR million	31 Dec. 2023	31 Mar. 2024
Share capital and reserves	5.3	5.3
Foreign currency translation reserve	0.5	2.6
Retained earnings	47.9	52.1
Non-controlling interests	11.8	13.1
Subordinated debt	16.5	13.8
Total equity	**82.0**	**86.9**
Borrowings	310.6	332.2
Other liabilities	28.7	32.5
Total liabilities	**339.3**	**364.7**
Total equity and liabilities	**421.3**	**451.6**

Assets

The total assets of the Group increased by 7.2% to EUR 451.6 million (31 December 2023: EUR 421.3 million), mainly due to the integration of EC Finance Group consumer lending business.

Tangible assets

Tangible assets increased by 3.7% to EUR 14.0 million (31 December 2023: EUR 13.5 million).

Net loan and used vehicle rent portfolio

The net loan and used vehicle rent portfolio increased by 3.2% to EUR 330.5 million (31 December 2023: EUR 320.4 million).

Net loan and used vehicle rent portfolio split by market type

EUR million	31 Dec. 2023	Total share (%)	31 Mar. 2024	Total share (%)
Developed countries*	135.5	42.3%	138.6	41.9%
Developing countries**	80.0	25.0%	83.0	25.1%
Consumer loan markets	104.9	32.7%	108.9	33.0%
Total net loan and used vehicle rent portfolio	**320.4**	**100.0%**	**330.5**	**100.0%**

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

** Developing countries are Uzbekistan, Kenya and Uganda

Net loan portfolio split by product type

EUR million	31 Dec. 2023	Total share (%)	31 Mar. 2024	Total share (%)
Flexible and subscription based products	68.6	21.4%	71.5	21.6%
Traditional lease and leaseback products	146.9	45.8%	150.1	45.4%
Consumer lending products	104.9	32.7%	108.9	33.0%
Total net loan portfolio split by product type	**320.4**	**100.0%**	**330.5**	**100.0%**

The Group continues controlled loan portfolio growth strategy in its flexible and subscription based products, as well tradional lease and leaseback business lines, which at the end of the period stood at 21.6% and 45.4% of the total net loan and used vehicle rent portfolio.

Consumer lending business line is continuing steady growth trajectory and after integration of EC Finance Group operations has increased the share within the Group and now is standing at 33.0% from the total net loan and used vehicle rent portfolio.

Developing markets such as Kenya and Uganda retain significant potential for future growth.

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

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

EUR million	31 Dec. 2023	Total share (%)	31 Mar. 2024	Total share (%)
STAGE 1*	168.8	81.0%	174.7	81.4%
STAGE 2**	24.0	11.5%	24.3	11.3%
STAGE 3***	15.6	7.5%	15.7	7.3%
Total net loan portfolio	**208.4**	**100.0%**	**214.7**	**100.0%**
Used vehicle rent	7.1	3.3%	6.9	3.1%
Total net loan and used vehicle rent portfolio	**215.5**		**221.6**	
Net NPL ratio******	**7.5%**		**7.3%**	
Impairment coverage ratio*********	**86.2%**		**88.6%**	

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

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

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

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

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

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

NPLs in the net loan and used vehicle rent portfolio marginally decreased and amounted to 7.3% (31 December 2023: 7.5%).

Net consumer loan portfolio

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

EUR million	31 Dec. 2023	Total share (%)	31 Mar. 2024	Total share (%)
STAGE 1*	98.0	93.4%	101.2	92.9%
STAGE 2**	2.2	2.1%	2.6	2.4%
STAGE 3***	4.7	4.5%	5.1	4.7%
Total net loan portfolio	**104.9**	**100.0%**	**108.9**	**100.0%**
Net NPL ratio******	**4.5%**		**4.6%**	
Impairment coverage ratio*********	**119.2%**		**120.6%**	

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

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

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

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

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

NPLs in the total net consumer loan portfolio increased marginally and amounted to 4.6% (31 December 2023: 4.5%).

Equity

The total equity of the Group increased by 6.0% to EUR 86.9 million (31 December 2023: EUR 82.0 million). The capitalization ratio at the end of the period stood at 26.9% (31 December 2023: 26.1%), providing adequate and stable headroom for Eurobond covenants.

Liabilities

The total liabilities of the Group increased by 7.5% and stood at EUR 364.7 million (31 December 2023: EUR 339.3 million). The increase mainly was due to EC Finance Group integration. Total borrowings grew to EUR 332.2 million (31 December 2023: EUR 310.6 million).

Borrowings

The table below sets out borrowings by type.

EUR million	31 Dec. 2023	31 Mar. 2024
Loans from banks	6.1	21.7
Africa Notes	21.6	21.5
Latvian Bonds	17.0	16.9
Private debt funds	10.0	10.2
Eurobonds (excl. accrued interest)	191.6	187.7
Bond acquisition costs and accrued interest	(0.9)	2.4
Financing received from P2P investors	63.9	71.7
Loans from other parties	1.3	0.1
Total borrowings	**310.6**	**332.2**

Latvian bonds

On 1 March 2021, through a public offering JSC "mogo" successfully issued a corporate bond (LV0000802452) in the amount of EUR 30 million, which from 31 March 2021 was listed on the regulated market – the Baltic Bond List of "Nasdaq Riga" stock exchange. The notes, with a minimum subscription amount of EUR 1 000 were issued at par, having a maturity of 3 years and carrying a fixed coupon of 11% per annum, paid monthly in arrears. The bonds were offered to existing JSC "mogo" bondholders and other retail and institutional investors from the Baltic region. On 26 September 2023, existing Mogo AS 2021/2024 bondholders were provided with an opportunity to exchange the respective bonds for new Eleving Group 2023/2028 senior secured and guaranteed bonds (ISIN DE000A3LL7M4). Mogo AS 2021/2024 bonds were partially converted to the new Eurobonds in October 2023. On 2 April the remaining portion of bonds was successfully repaid. A total of EUR 17.2 mln were repaid to the bondholders.

Eurobonds

On 18 October 2021, Eleving Group successfully issued a 5-year corporate bond (XS2393240887), listed on the Open Market of the Frankfurt Stock Exchange, at par with an annual interest rate of 9.5% and total amount of EUR 150 million. The bond will mature in October 2026. The previous corporate bond (XS1831877755) with an annual interest rate of 9.5% was fully repaid on 20 October 2021 following the issuance of the new corporate bond (XS2393240887).

On 31 October 2023, Eleving Group successfully issued a 5-year senior secured and guaranteed bond (ISIN DE000A3LL7M4), listed on the Regulated Market of Frankfurt Stock Exchange at par with an annual interest rate of 13.0% and a total amount of EUR 50 million. On 6 November 2023, the respective bond was also listed on the Regulated Market of Nasdaq Riga Stock Exchange. The bond maturity is set at 31 October 2028.

Subordinated bonds

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

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

EUR million	3M 2023	3M 2024
Profit before tax	6.7	8.7
Net cash flows from operating activities	7.8	12.1
Net cash flows from investing activities	(3.7)	(2.4)
Net cash flows from financing activities	5.0	11.2
Change in cash	9.1	20.9
Cash at the beginning of the year	13.8	27.5
Cash at the end of the year	22.9	48.4

Net cash inflow from operating activities amounted to EUR 12.1 million (3M 2023: cash inflow of EUR 7.8 million). The Group's net cash outflow from investing activities totalled EUR 2.4 million (3M 2023: cash outflow of EUR 3.7 million). Finally, the Group's cash inflow from financing activities amounted to EUR 11.2 million (3M 2023: cash inflow of EUR 5.0 million).

Eurobond covenant ratios

Capitalization	31 Dec. 2023	31 Mar. 2024	Change (p.p.)
Equity/Net loan portfolio	26.1%	26.9%	0.8

Profitability	31 Dec. 2023	31 Mar. 2024	Change
Interest coverage ratio (ICR)	2.3	2.4	0.1

Leverage	31 Dec. 2023	31 Mar. 2024	Change
Net leverage	3.7	3.5	(0.2)

EUR million	Mintos loans			Net loan and used vehicle rent portfolio			
Country	31 Dec. 2023	31 Mar. 2024	Change (%)	31 Dec. 2023	Total share (%)	31 Mar. 2024	Total share (%)
Armenia*	1.1	1.7	54.5%	13.2	6.1%	14.2	6.4%
Georgia*	1.6	-	(100.0%)	16.7	7.7%	17.4	7.9%
Estonia*	3.5	3.6	2.9%	11.0	5.1%	11.1	5.0%
Kenya**	3.0	3.8	26.7%	44.6	20.7%	47.6	21.5%
Latvia*	2.5	2.5	-	11.4	5.3%	12.5	5.6%
Lithuania*	10.3	9.5	(7.8%)	32.0	14.8%	30.8	13.9%
Moldova*	3.8	3.5	(7.9%)	17.9	8.3%	17.7	8.0%
Romania*	2.1	5.2	147.6%	33.3	15.5%	34.9	15.7%
Uganda**	-	-	-	23.8	11.0%	23.6	10.6%
Uzbekistan**	-	-	-	11.6	5.4%	11.8	5.3%
Total vehicle lease and rent	**27.9**	**29.8**	**6.8%**	**215.5**	**100%**	**221.6**	**100%**
Consumer loan markets	36.0	41.9	16.4%	104.9	32.7%	108.9	33.0%
Total	**63.9**	**71.7**		**320.4**		**330.5**	

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

** Developing countries are Uzbekistan, Kenya and Uganda

Recent developments

No Regulatory Changes

No material regulatory changes have taken place since 31 March 2024.

Events after the balance sheet date

As of the last day of the reporting period until the date of publishing these unaudited results for the three months ended 31 March 2024 there have been no events requiring adjustment of unaudited results.

Directors' Statement

The consolidated three month 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 three month 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 a whole, together with a description of the principal risks and uncertainties that they face.

Consolidated statements of:

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

Consolidated Statement of Financial Position – Assets

EUR million	31 Dec. 2023	31 Mar. 2024
Assets		
Goodwill	6.8	6.8
Internally generated intangible assets	10.3	10.6
Other intangible assets	5.4	5.4
Loans and lease receivables and rental fleet	320.4	330.5
Right-of-use assets	10.6	11.0
Property, plant and equipment	2.1	2.2
Leasehold improvements	0.8	0.8
Other financial assets	0.9	0.5
Deferred tax asset	8.9	10.1
Inventories	4.8	3.8
Prepaid expense	3.1	3.5
Other receivables	9.6	7.8
Assets of subsidiary held for sale	9.6	9.0
Assets held for sale	0.5	1.2
Cash and cash equivalents	27.5	48.4
Total Assets	**421.3**	**451.6**

Consolidated Statement of Financial Position – Equity and liabilities

EUR million	31 Dec. 2023	31 Mar. 2024
Equity		
Share capital	2.9	2.9
Retained earnings	47.9	52.1
Foreign currency translation reserve	0.5	2.6
Reserve	2.4	2.4
Total equity attributable to owners of the Company	**53.7**	**60.0**
Non-controlling interests	11.8	13.1
Subordinated debt	16.5	13.8
Total equity	**82.0**	**86.9**
Liabilities		
Borrowings	310.6	332.2
Prepayments and other payments received from customers	1.1	1.0
Trade payables	2.2	1.9
Corporate income tax payable	0.7	3.0
Taxes payable	3.4	3.7
Other liabilities	13.4	14.7
Liabilities of subsidiary held for sale	2.0	2.8
Accrued liabilities	5.8	5.3
Other financial liabilities	0.1	0.1
Total liabilities	**339.3**	**364.7**
Total equity and liabilities	**421.3**	**451.6**

Consolidated Income Statement

EUR million	3M 2023	3M 2024
Interest revenue calculated using the effective interest method	40.3	48.4
Interest expense calculated using the effective interest method	(8.6)	(10.1)
Net interest income	**31.7**	**38.3**
Fee and commission income	1.7	2.5
Revenue from rent	1.1	0.9
Total net revenue	**34.5**	**41.7**
Impairment expense	(9.6)	(9.5)
Expenses related to P2P platform services	(0.2)	(0.3)
Profit from car sales and other equipment	-	0.1
Selling expense	(1.6)	(1.7)
Administrative expense	(14.5)	(18.2)
Other operating income/(expense)	(0.7)	(1.4)
Net foreign exchange result	(1.7)	(2.4)
Profit before tax	**6.2**	**8.3**
Corporate income tax	(2.5)	(3.4)
Deferred corporate income tax	1.4	0.5
Net profit for the period	**5.1**	**5.4**
Discontinued operations	0.5	0.4
Translation of financial information of foreign operations to presentation currency	(2.0)	2.3
Total profit for the period without FX	7.3	8.2
Total profit for the period	**3.6**	**8.1**

Consolidated statement of cash flow

EUR million	3M 2023	3M 2024
Cash flows from operating activities		
Profit before tax	6.7	8.7
Adjustments for:		
Amortisation and depreciation	2.0	2.4
Interest expense	8.6	10.1
Interest income	(40.3)	(48.4)
Loss on disposal of property, plant and equipment	0.1	0.8
Impairment expense	9.6	9.5
Loss/(gain) from fluctuations of currency exchange rates	3.7	0.1
Operating profit before working capital changes	**(9.6)**	**(16.8)**
(Increase)/decrease in inventories	(2.1)	1.0
(Increase)/decrease in receivables	(15.9)	(12.0)
Increase/(decrease) in trade payable, taxes payable and other liabilities	0.2	1.0
Cash generated to/from operating activities	**(27.4)**	**(26.8)**
Interest received	40.3	48.4
Interest paid	(4.1)	(8.6)
Corporate income tax paid	(1.0)	(0.9)
Net cash flows from operating activities	**7.8**	**12.1**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1.0)	(2.2)
Purchase of rental fleet	(1.2)	(0.2)
Loan repayments received	1.8	0.3
Investments in subsidiaries	-	(0.3)
Payments for acquisition of non-controlling interests	-	(0.3)
Loans issued and bank deposits	(3.3)	-
Net cash flows from investing activities	**(3.7)**	**(2.4)**
Cash flows from financing activities		
Proceeds from borrowings	45.7	73.1
Repayments for borrowings	(35.6)	(61.7)
Dividends paid	(5.1)	(0.2)
Net cash flows from financing activities	**5.0**	**11.2**
Change in cash	9.1	20.9
Cash at the beginning of the period	13.8	27.5
Cash at the end of the period	**22.9**	**48.4**

Glossary and important information

Definitions and alternative performance measures

- **Average income yield on net loan and used car rent portfolio** — the sum of annualized interest revenue calculated using the effective interest method and revenue from rent/average net loan and used car rent portfolio
- **Average net loan and used car rent portfolio** — the sum of net loan and used car rent portfolio as of the start and end of each period divided by two
- **Capitalization ratio** — equity (incl. subordinated debt)/net loan portfolio (excl. used car rent portfolio)
- **Conversion rate** — number of loans issued/number of loan applications received
- **Cost to income ratio** — the sum of selling expense and administrative expense/sum of interest revenue calculated using the effective interest method, fee and commission income and revenue from rent
- **DPD** — days past due
- **EBITDA** — net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, and net foreign exchange result
- **ESG** — Environmental, Social, and Governance strategy
- **Equity/Total Assets ratio** — equity (excl. subordinated debt)/ total assets
- **Flexible lease and subscription-based products** — motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Lithuania, new vehicle subscription in Latvia
- **Gross non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables
- **Impairment coverage ratio** — total impairment/gross non-performing loans (NPLs)
- **Interest coverage ratio** — last twelve-month Adjusted EBITDA/ interest expense calculated using the effective interest method less Eurobonds acquisitions costs and subordinated debt interest expense
- **Marketing expenses with effective costs per loan issued** — marketing expenses for the period divided by number of loans issued in the respective period
- **Net NPL ratio** — non-performing loans (NPLs)/total net portfolio
- **Non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables less impairment provisions
- **Net profit before FX effect** — net profit for the period before net foreign exchange result
- **QOQ/YOY** — comparison between two consecutive quarters/ years, e.g., 3M 2024 compared to 3M 2023 / 2024 compared to 2023

Market definitions

- **Developed markets** — Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova
- **Developing markets** — Kenya, Uganda, Uzbekistan
- **On-hold markets** — Bosnia and Herzegovina
- **Consumer finance markets** — Albania, North Macedonia, Moldova, Botswana, Namibia, Zambia and Lesotho

Important information

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