Eleving GROUP

Unaudited results for the twelve months ended 31 December 2022

Content

12 months at a glance

330 000+
Total Number of Active Customers

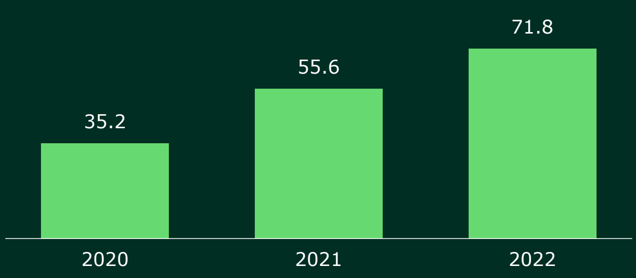
EUR 71.8 mln[1]
EBITDA, 12M 2022

EUR 288.9 mln
Vehicle and Consumer Financing Net Portfolio

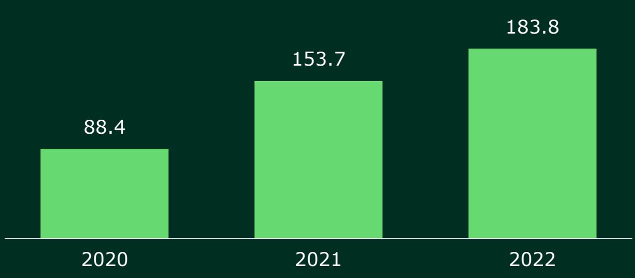
EUR 183.8 mln[2]
Revenues, 12M 2022

Exceptional twelve-month EBITDA[1] — EUR 71.8 mln

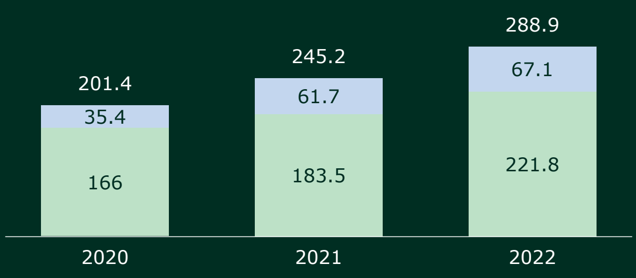
EBITDA, EUR mln[1]



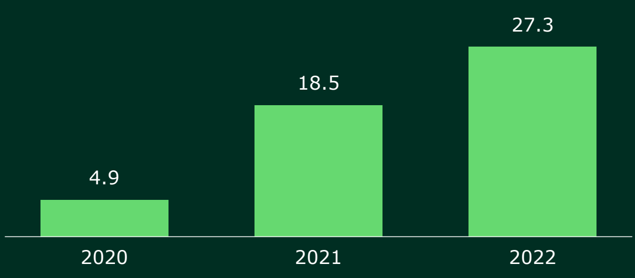
Revenue, EUR mln[2]



Net portfolio, EUR mln



Net profit before FX, EUR mln[3]



[1] 2020 EBITDA adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; (c) non-controlling interests EUR 0.4 mln; and a decrease by one-off gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) acquisition of trademark EUR 1.8 mln; (c) other one-off adjustments. 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 one-off gains of: (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 3.2 mln.

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

[3] 2020 adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one-off gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) acquisition of trademark EUR 1.8 mln; (c) other one-off adjustments. 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.

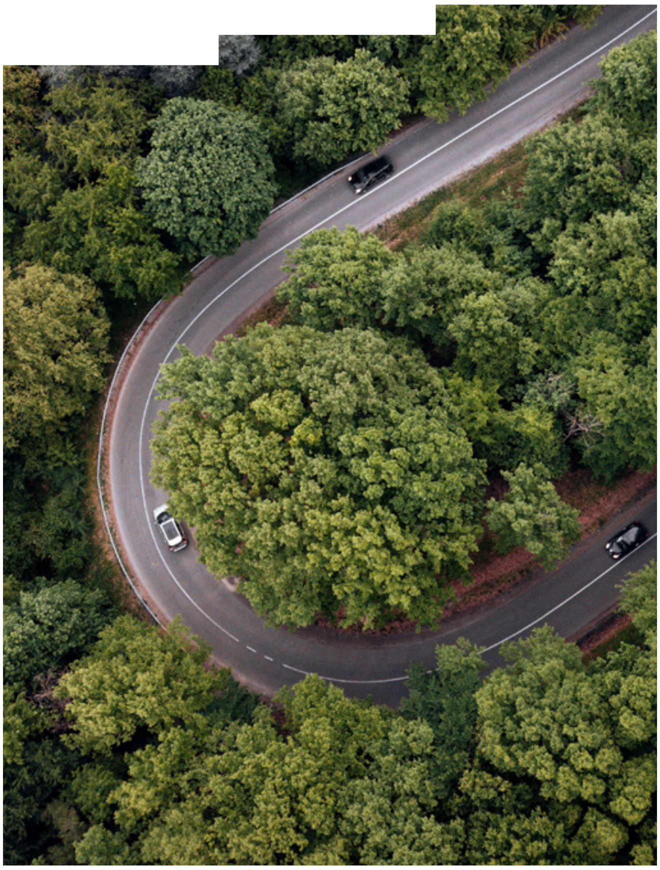
Steady growth accompanied by robust profitability

Operational and Strategic Highlights

- 2022 marked another successful year for the Group as the revenue hit an all-time twelve-month high, and the net portfolio achieved annual growth of 17.8%, totaling EUR 288.9 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 50.8 mln to the 12M 2022 revenue—up by 91.1% compared to 12M 2021, but down by 4.8% QOQ. The key revenue driver was the productive lending segment in East Africa, which performed exceptionally well during the first three quarters of the year; during Q4, however, the Group tightened its underwriting policy, and some local jurisdictions saw indications of an economic slowdown, causing a slight slowdown in the Q4 revenue.
  - Traditional lease and leaseback products contributed EUR 68.0 mln to the 12M 2022 revenue—up by 32.5% compared to 12M 2021 and up by 13.2% QOQ. The respective revenue growth was mainly attributable to the successful portfolio growth in Romania. However, nearly all other Group's markets also experienced positive incremental growth.
  - Revenue from the consumer loan segment contributed EUR 57.1 mln to the 12M 2022 revenue—down by 12.1% compared to 12M 2021, but up by 4.0% QOQ. The negative trend observed in the annual consumer loan revenue mainly stemmed from the run-down of the Ukrainian portfolio.
- Midst Q4, the Group partnered with STIMA, a battery-swapping technology provider, and the Estonian ride-hailing unicorn Bolt to promote climate-neutral mobility in Kenya by offering electric motorcycle financing services to the local customers. The initiative is still in its early stages of development, yet the first electric motorcycle customers have already been financed.
- Impairment coverage ratio for the vehicle finance segment at the end of the year stood at 95.0%, representing a 2p.p. improvement YOY. Meanwhile, the impairment coverage ratio for the consumer finance segment in the same period declined by 12p.p., driven by portfolio development in North Macedonia and portfolio run-down in Ukraine, and at the end of the year equaled 131.9%.
- During Q4, Eleving Group continued its course towards a more sustainable future and achieved several milestones aligned with its ESG strategic objectives. The most prominent highlight in the ESG landscape was the launch of a financial literacy platform, where anyone can assess the health of their existing loan commitments, evaluate whether new financial commitments would be feasible, and find advice on budgeting, debt management, making savings, financial hygiene, and the like. Currently, the platform is available in Latvia, but the Group is committed to extending the platform to all the other of the Group's markets by the end of Q2 2023.

Financial Highlights and Progress

- Solid profitability as evidenced by:
  - Adjusted EBITDA of EUR 71.8 mln (12M 2021: EUR 55.6 mln);
  - Adjusted Net Profit before FX of EUR 27.3 mln (12M 2021: EUR 18.5 mln);
  - Adjusted Net Profit after FX of EUR 21.1 mln (12M 2021: EUR 19.6 mln).
- Record-high net portfolio of EUR 288.9 mln; Eleving Vehicle Finance and Eleving Consumer Finance accounted for EUR 221.8 mln and EUR 67.1 mln, respectively.
- During Q4, the Group continued its local bond issuance program in Kenya, and by year-end had nearly doubled the amount raised in Q3, with the total funds raised reaching EUR 7.3 mln. Moving forward, the Group will seek to leverage similar opportunities, as they both bolster the Group's capital structure and mitigate the FX gap on the Group's balance sheet, originating from the asset and liability currency mismatch.
- The Group has successfully managed to decrease its operational cost base, as evidenced by the 1.7 p.p. drop in the cost-to-income ratio of 12M 2022 compared to 12M 2021. Moreover, facing an inflationary environment, the Group will seek to become even more cost-efficient in 2023.
- The financial year of 2022 was closed with a healthy financial position, supported by the capitalization ratio of 26.2% (31 December 2021: 20.7%), ICR ratio of 2.5 (31 December 2021: 2.5), and net leverage of 3.4 (31 December 2021: 3.8), providing an adequate and stable headroom for Eurobond covenants.



Comments from Eleving Group CEO and CFO

Modestas Sudnius
CEO of Eleving Group

We started 2022 with a dosed optimism. The turbulence caused by the Covid-19 pandemic had subsided, and it appeared that we might plan for moderate and predictable growth of the global economy. However, the changing geopolitical situation in Eastern Europe and the war in Ukraine shifted the market and, consequently, the macroeconomic outlook. Despite these external factors, we experienced a strong quarter and twelve-month period, with the best financial and operational results in the Group's history.

The near-perfect results were driven by the adjusted strategy approved right after Q1. The main emphasis was put on portfolio quality and efficiency, as well as reducing the portfolio exposure in the affected markets while maintaining steady growth as a Group. This translated into a focus placed on managerial efficiency, cost optimization, careful capital management, and a slightly more conservative business approach.

In Q4, we saw that consumption in some markets decreased because consumers postponed larger purchases, including buying new vehicles. Admittedly, these fluctuations were already predictable in Q2, so our timely decisions—focusing on key strategic partnerships and roll-out a fully automated "dealers' module"—helped us maintain stable issuance volumes without sacrificing portfolio quality at a time when the overall market was shrinking.

In November, we decided to simplify and optimize our hub structure and merge our Eastern Europe hub with our Caucasus hub, creating a new and larger—Eleving Europe hub. We are confident this will result in smoother management processes and reduced administrative costs throughout 2023.

Also, in the ESG-related sphere, the Group achieved some significant milestones. In the past quarter, we launched the financial literacy platform for the Latvian market to educate consumers about personal budget planning and making informed financial decisions. We aim to launch it in other markets in Q1 and Q2 of 2023. Additionally, we are also proud of launching e-boda financing in Kenya. For the Group, this project contributes to fulfilling our strategic goals, where we have committed to increasing the number of emission-free vehicles in our portfolio and reducing the carbon footprint arising from it. For our clients, this project will save money on fuel and maintenance costs. For society, in the long run, it will improve the ecological aspects of the cities, such as air quality and reduced noise levels.

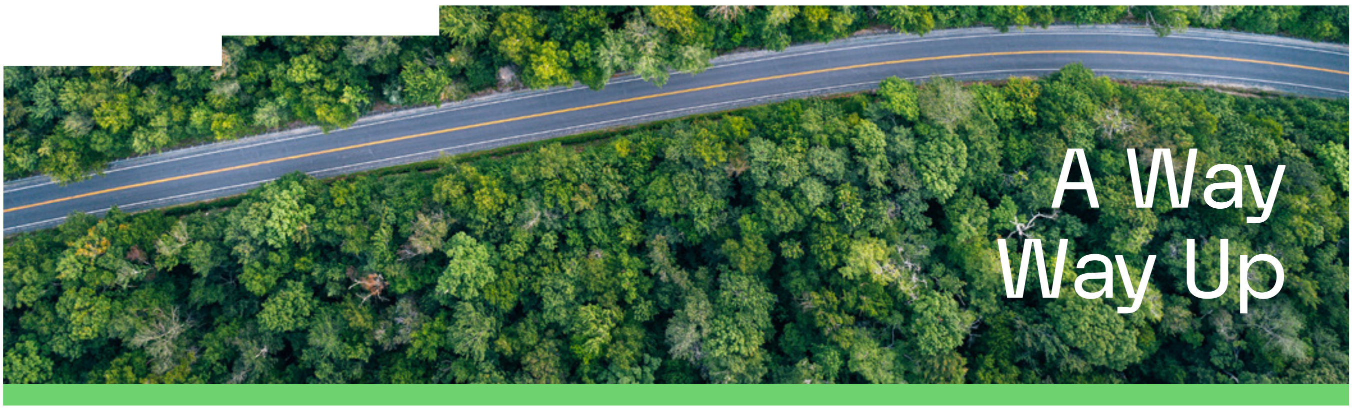
Last quarter ended the best year for Eleving Group in terms of EBITDA, revenue, net profit, and other fundamental business indicators. In 2022, the Group managed to increase the adjusted EBITDA by 29.2% compared to 2021, while the adjusted revenue reached EUR 183.8 mln, an increase of 19.5% compared to a year ago. Also, the adjusted net profit before FX increased by 47.6% in 2022, while the net portfolio ascended to EUR 288.9 mln.

All things considered, we saw a slightly slower portfolio growth QOQ, but this resulted from our choice to mitigate the potential risks in times of uncertainty. We managed to diversify our portfolio across the markets and have absorbed the negative effect of war by decreasing exposure in the affected markets accordingly. Also, the diversification of the Group's funding structure is still strong, with more opportunities for us to tap into the private debt at a local market level, especially in the African region.

As seen by the figures mentioned previously, we have entered the phase that is daunting for many companies in the financial industry—the elevated interest rates period—on a solid footing due to a conservative and measured approach toward the quality of our balance sheet.

In the coming quarters, we plan to continue focusing on controlled growth, improving our existing products and ensuring the quality of our portfolio. Additionally, we will be closely monitoring the developments in the financial markets, especially since our local three-year bond in Latvia is maturing during the next year.

Māris Kreics
CFO of Eleving Group



Outlook - Products & Strategy

To become an ultimate mobility platform

	Mobility					Inclusion
	Financing		Flexible lease and subscription			Consumer lending
Products & services	mogo	primero	Renti plus / RENTI	Boda loans / mogo	OX	Kredo.al / Tigo.mk / Sebo.md
	Vehicle leasing for pre-owned cars	Premium vehicle leasing for pre-owned cars	Rent-to-buy & subscription services for ultimate flexibility	Motorcycle taxi loans in emerging markets[1]	Electric car sharing product	Consumer loan products available online and through branch networks
Product strategy for next 12 months	Maintain organic growth in the existing markets	Maintain organic growth in the existing markets	Maintain organic growth in the existing markets	Maintain organic growth in the existing markets	Scale the new product in Latvia	Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs, portfolio run down in Ukraine

Processes

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

Further development of **sales channels**:

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

Capital management

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

Exploring routes for **attracting outside equity**

Continue to **decrease exposure** in Ukraine and Belarus

Social impact

Implementation of the **financial literacy platform** in Estonia, Kenya, Lithuania, Romania, Armenia, and Georgia by the end of Q1 2023

Implementation of **resource consumption monitoring** in all Group offices, with the aim of reducing electricity, water, and heat consumption and waste generation

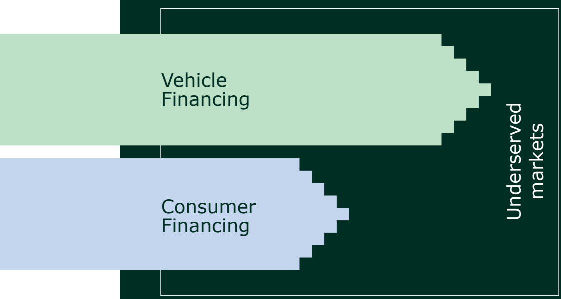
Participate in a carbon offsetting project to **extend the existing Carbon Neutral Company's certificate** for 2023

[1] Kenya and Uganda.

About Eleving Group

Our approach

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

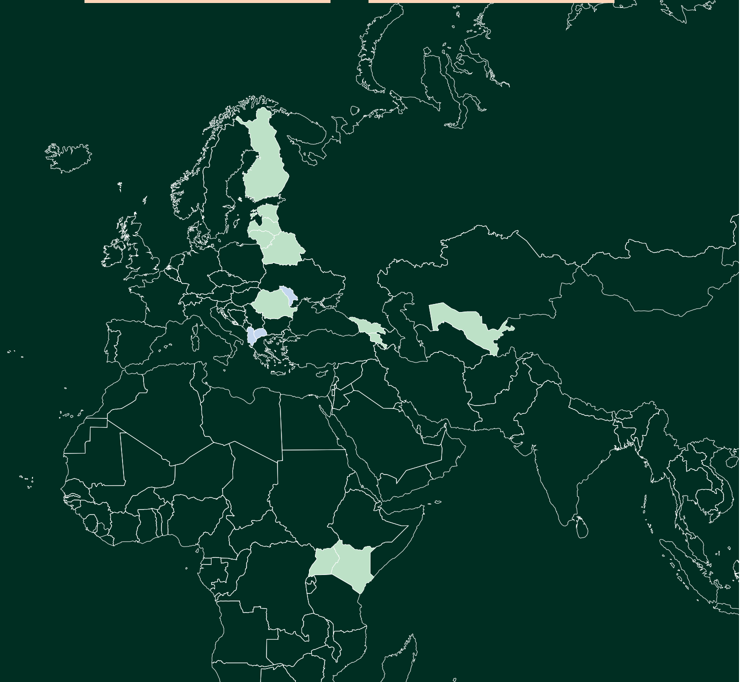


Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with more than 2 650 employees and 330 000 active loyal customers.

Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 14 countries across 3 continents.



Conference call

On 16 February

A conference call in English with the Group's management team to discuss these results is scheduled for 16 February 2022, at 15:00 CET.

Contact

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Chief Financial Officer (CFO)
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Conference call access information

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the twelve months period ended 31 December 2021 and 31 December 2022.

in EUR million	12M 2021	12M 2022	Change (%)
Interest and similar income	136.5	170.5	24.9%
Interest expense and similar expenses	(28.2)	(32.0)	13.5%
Net interest income	**108.3**	**138.5**	**27.9%**
Income from used vehicle rent	6.4	5.4	(15.6%)
Impairment expense	(38.5)	(42.4)	10.1%
Operating expense and income	(61.1)	(67.9)	11.1%
Net foreign exchange result	1.1	(6.2)	(663.6%)
Profit before tax	**16.2**	**27.4**	**69.1%**
Corporate income tax	(6.5)	(7.1)	9.2%
Net profit for the period without FX and discontinued operations	8.6	26.5	208.1%
Net profit for the period	**9.7**	**20.3**	**109.3%**

Interest, similar income and income from used vehicle rent

in EUR million	12M 2021	12M 2022	Change (%)
Flexible and subscription based products	**26.6**	**50.8**	**91.1%**
Interest and similar income	20.2	45.2	123.7%
Rental income	6.4	5.4	(15.3%)
Other	-	0.2	nm
Traditional lease and leaseback products	**51.3**	**68.0**	**32.5%**
Interest and similar income	51.3	68.0	32.5%
Consumer lending products	**65.0**	**57.1**	**(12.1%)**
Interest and similar income	65.0	57.1	(12.1%)
Average net loan and used vehicle rent portfolio	**223.5**	**267.1**	**19.5%**
Average income yield on net loan and used vehicle rent portfolio	**64.0%**	**65.9%**	**1.9 p.p.**

Interest, similar income and income from used vehicle rent for the period increased by 23.1% to EUR 175.9 million (12M 2021: EUR 142.9 million) reflecting the growth in the average net loan and used vehicle rent portfolio by 19.5% to EUR 267.1 million (12M 2021: EUR 223.5 million) and continuous focus on highest-yielding markets and products.

Interest expense and similar expense

Interest expense and similar expense increased by 13.5% to EUR 32.0 million (12M 2021: EUR 28.2 million) driven by the increase in the total borrowings to EUR 261.5 million (31 December 2021: EUR 241.6 million).

Income from used vehicle rent

Income from used vehicle rent decreased by 15.6% to EUR 5.4 million (12M 2021: EUR 6.4 million). Meanwhile, the total used vehicle rental fleet in Latvia remained stable and stood at EUR 10.2 million (31 December 2021: EUR 10.0 million).

Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables increased by 101.0% to EUR 20.7 million (12M 2021: EUR 10.3 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 5.0% (conservative 35+ days past due) of the net portfolio (31 December 2021: 4.5%) with provision coverage ratio of 95.0% (31 December 2021: 93.0%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables decreased by 23.0% to EUR 21.7 million (12M 2021: EUR 28.2 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 5.5% (90+ days past due) of the net portfolio (31 December 2021: 3.8%) with provision coverage ratio of 131.9% (31 December 2021: 143.9%).

Operating expense

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

in EUR million	12M 2021	12M 2022	Change (%)
Employees’ salaries	26.6	33.2	24.8%
Marketing expenses	8.2	8.0	(2.4%)
Office and branch maintenance expenses	2.0	2.6	30.0%
Professional services	2.6	2.7	3.8%
Amortization and depreciation	7.4	8.7	17.6%
Bonds refinancing expense	5.7	-	(100.0%)
Other operating (income)/expenses	8.6	12.4	44.2%
Total operating expense	**61.1**	**67.6**	**10.6%**

Operating expenses increased by 10.6% to EUR 67.6 million (12M 2021: EUR 61.1 million), mainly driven by net loan portfolio growth.

Salaries increased by 24.8% to EUR 33.2 million (12M 2021: EUR 26.6 million), comprising 49.1% of the total operating expenses (12M 2021: 43.5%). Meanwhile, marketing expenses, with effective costs of EUR 17 per loan issued, accounted for 11.8% of total the operating expenses (12M 2021: 13.4%).

Profit before tax

The consolidated profit before taxes amounted to EUR 27.4 million (12M 2021: EUR 16.2 million).

Corporate income tax

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

in EUR million	12M 2021	12M 2022	Change (%)
Corporate income tax	(6.9)	(9.7)	40.6%
Deferred tax	0.4	2.6	550.0%
Total corporate income tax	**(6.5)**	**(7.1)**	**9.2%**

Profit for the period

The consolidated net profit for the period amounted to EUR 20.3 million (12M 2021: EUR 9.7 million).

Alternative performance measures (non-IFRS)

in EUR million	12M 2021	12M 2022	Change (%)
Profit for the period	9.7	20.3	109.3%
Provisions for taxes	6.5	7.1	9.2%
Interest expense	28.2	32.0	13.5%
Depreciation and amortization	7.4	8.7	17.6%
Currency exchange loss/(gain)	(1.1)	6.2	(663.6%)
EBITDA	**50.7**	**74.3**	**46.5%**
Amortization of acquisitions' fair value gain	3.2	-	nm
Loss from subsidiary sale	1.0	0.8	(19.4%)
Bonds refinancing expense	5.7	-	nm
Non-controlling interests	(5.0)	(3.3)	(34.9%)
Adjusted EBITDA	**55.6**	**71.8**	**29.2%**

Condensed consolidated balance sheet

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

in EUR million	31 Dec. 2021	31 Dec. 2022
Intangible assets	14.4	15.7
Tangible assets	12.2	12.6
Loans and lease receivables and rental fleet	245.2	288.9
Deferred tax asset	2.8	5.6
Inventories	3.8	2.5
Non-current assets held for sale	2.4	5.2
Other receivables	12.8	16.8
Assets of subsidiary held for sale	12.9	0.4
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to 3rd parties	1.1	-
Cash and cash equivalents	10.1	13.8
Total assets	**320.0**	**361.5**

in EUR million	31 Dec. 2021	31 Dec. 2022
Share capital and reserves	1.8	2.1
Foreign currency translation reserve	0.2	5.1
Retained earnings	22.3	40.7
Non-controlling interests	7.1	6.1
Subordinated debt	17.3	19.0
Total equity	**48.7**	**73.0**
Borrowings	241.6	261.5
Other liabilities	29.7	27.0
Total liabilities	**271.3**	**288.5**
Total equity and liabilities	**320.0**	**361.5**

Assets

The total assets increased by 13.0% to EUR 361.5 million (31 December 2021: EUR 320.0 million), reflecting the growth of net loan and used vehicle rent portfolio.

Tangible assets

Tangible assets increased by 3.3% to EUR 12.6 million (31 December 2021: EUR 12.2 million).

Net loan and used vehicle rent portfolio

The net loan and used vehicle rent portfolio increased by 17.8% to EUR 288.9 million (31 December 2021: EUR 245.2 million).

Net loan and used vehicle rent portfolio split by market type

in EUR million	31 Dec. 2021	Total share (%)	31 Dec. 2022	Total share (%)
Developed countries*	123.2	50.2%	140.0	48.5%
Developing countries**	59.2	24.1%	81.8	28.3%
Consumer loan markets	61.4	25.0%	67.1	23.2%
Countries on hold***	1.4	0.6%	-	-
Total net loan and used vehicle rent portfolio	**245.2**	**100.0%**	**288.9**	**100.0%**

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

** Developing countries are Uzbekistan, Kenya and Uganda

*** Countries on hold are Bosnia and Herzegovina, and Poland (both countries classified as assets of subsidiary held for sale or under liquidiation)

Net loan and used vehicle rent portfolio split by product type

in EUR million	31 Dec. 2021	Total share (%)	31 Dec. 2022	Total share (%)
Flexible and subscription based products	53.6	21.9%	72.7	25.2%
Traditional lease and leaseback products	130.2	53.1%	149.1	51.6%
Consumer lending products	61.4	25.0%	67.1	23.2%
Total net loan and used vehicle rent portfolio	**245.2**	**100.0%**	**288.9**	**100.0%**

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

The Group also continues to capitalize on the latest consumer trends and continue to roll out its flexible lease and subscription based products that at the end of the period already comprised 25.2% of the total net loan and used vehicle rent portfolio.

Meanwhile, the consumer lending portfolio stood at 23.2% from the total net loan and used vehicle rent portfolio, which is in line with Group’s long term strategy regarding its net loan portfolio composition.

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

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

in EUR million	31 Dec. 2021	Total share (%)	31 Dec. 2022	Total share (%)
STAGE 1*	150.5	86.9%	175.4	82.8%
STAGE 2**	14.9	8.6%	25.9	12.2%
STAGE 3***	7.7	4.4%	10.5	5.0%
Total net loan portfolio	**173.1**	**100.0%**	**211.8**	**100.0%**
Used vehicle rent	10.7	5.8%	10.0	4.5%
Total net loan and used vehicle rent portfolio	**183.8**		**221.8**	
Net NPL ratio******	**4.5%**		**5.0%**	
Impairment coverage ratio*********	**93.0%**		**95.0%**	

* 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 total net loan and used vehicle rent portfolio increased to 5.0% (31 December 2021: 4.5%).

Net consumer lending portfolio

The following table 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.

in EUR million	31 Dec. 2021	Total share (%)	31 Dec. 2022	Total share (%)
STAGE 1*	57.6	93.8%	61.6	91.8%
STAGE 2**	1.4	2.3%	1.8	2.7%
STAGE 3***	2.4	3.9%	3.7	5.5%
Total net loan portfolio	**61.4**	**100.0%**	**67.1**	**100.0%**
Net NPL ratio******	**3.8%**		**5.5%**	
Impairment coverage ratio*********	**143.9%**		**131.9%**	

* 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 to 5.5% (31 December 2021: 3.8%).

Equity

The total equity of the Group increased by 49.9% to EUR 73.0 million (31 December 2021: EUR 48.7 million). The capitalization ratio at the end of the period stood at 26.2% (31 December 2021: 20.7%), providing adequate and stable headroom for Eurobond covenants.

Liabilities

The total liabilities increased by 6.3% and equalled EUR 288.5 million (31 December 2021: EUR 271.3 million).

Loans and borrowings

The following table sets out loans and borrowings by type.

in EUR million	31 Dec. 2021	31 Dec. 2022
Loans from banks	7.6	5.6
Kenyan Notes	-	7.3
Latvian Bonds	29.5	28.8
Eurobonds (excl. accrued interest)	142.2	149.7
Bonds acquisition costs and accrued interest	(2.4)	(1.2)
Financing received from P2P investors	62.3	67.6
Loans from other parties	2.4	3.7
Total loans and borrowings	**241.6**	**261.5**

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 is listed on the regulated market – the Baltic Bond List of "Nasdaq Riga" stock exchange. The notes, with a minimum subscription amount of EUR 1 000 were issued at par, having a maturity of 3 years and carrying a fixed coupon of 11% per annum, paid monthly in arrears. The bonds were offered to existing JSC "mogo" bondholders and other retail and institutional investors from the Baltic region.

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).

Subordinated bonds

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

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

in EUR million	31 Dec. 2021	31 Dec. 2022
Profit before tax	14.4	25.8
Net cash flows to/from operating activities	(6.0)	(4.2)
Net cash flows to investing activities	(2.3)	(4.4)
Net cash flows from/to financing activities	13.1	12.3
Change in cash	4.8	3.7
Cash at the beginning of the year	9.3	10.1
Cash at the end of the year	14.1	13.8

Net cash outflow from operating activities amounted to EUR 4.2 million (12M 2021: cash outflow EUR 6.0 million). The Group's net cash ouflow from investing activities totalled EUR 4.4 million (12M 2021: cash outflow EUR 2.3 million). Finally, the Group's net cash inflow from financing activities amounted to EUR 12.3 million (12M 2021: cash inflow EUR 13.1 million).

Eurobond covenant ratios

Capitalization	31 Dec. 2021	31 Dec. 2022	Change (p.p.)
Equity/Net loan portfolio	20.7%	26.2%	5.5

Profitability	31 Dec. 2021	31 Dec. 2022	Change
Interest coverage ratio (ICR)	2.5	2.5	-

Leverage	31 Dec. 2021	31 Dec. 2022	Change
Net leverage	3.8	3.4	(0.4)

in EUR million	Mintos loans			Net loan and used vehicle rent portfolio			
Country	31 Dec. 2021	31 Dec. 2022	Change (%)	31 Dec. 2021	Total share (%)	31 Dec. 2022	Total share (%)
Armenia*	1.0	1.1	10.0%	9.9	5.4%	12.6	5.7%
Belarus*	10.0	1.4	(86.0%)	19.3	10.5%	14.6	6.6%
Georgia*	4.2	1.9	(54.8%)	14.1	7.7%	16.0	7.2%
Estonia	-	4.8	100.0%	-	-	11.3	5.1%
Kenya**	1.4	4.8	242.9%	39.2	21.3%	51.4	23.2%
Latvia*	5.8	1.8	(69.0%)	16.6	9.0%	13.3	6.0%
Lithuania*	2.3	2.2	(4.3%)	25.3	13.8%	27.2	12.3%
Moldova*	5.5	6.3	14.5%	14.1	7.7%	15.9	7.2%
Romania*	10.6	14.9	40.6%	23.9	13.0%	29.1	13.1%
Uganda**	-	-	-	13.4	7.3%	21.7	9.8%
Uzbekistan**	-	-	-	6.6	3.6%	8.7	3.9%
Countries on hold***	-	-	-	1.4	0.8%	-	-
Total vehicle lease and rent	**40.8**	**39.2**	**(3.9%)**	**183.8**	**100%**	**221.8**	**100%**
Consumer loan markets	21.5	28.4	32.1%	61.4	33.3%	67.1	23.2%
Total	**62.3**	**67.6**		**245.2**		**288.9**	

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

** Developing countries are Uzbekistan, Kenya and Uganda

*** Countries on hold are Bosnia and Herzegovina and Poland (both countries classified as assets of subsidiary held for sale or under liquidiation)

Recent developments

No Regulatory Changes

No material regulatory changes have taken place since 31 December 2022.

Events after the balance sheet date

As of the last day of the reporting period until the date of publishing these unaudited results for the twelve months ended 31 December 2022 there have been no events requiring adjustment of unaudited results.

Directors’ Statement

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

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

Consolidated statements of:

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

Consolidated Statement of Financial Position – Assets

in EUR million	31 Dec. 2021	31 Dec. 2022
Assets		
Goodwill	4.2	4.7
Internally generated intangible assets	7.5	8.6
Other intangible assets	2.7	2.4
Loans and lease receivables and rental fleet	245.2	288.9
Right-of-use assets	9.1	9.8
Property, plant and equipment	2.5	2.2
Leasehold improvements	0.6	0.6
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to third parties	1.1	-
Loans to related parties	4.1	3.3
Other financial assets	1.8	1.2
Deferred tax asset	2.8	5.6
Inventories	3.8	2.5
Prepaid expense	1.7	2.1
Trade receivables	0.7	0.2
Other receivables	4.5	10.0
Assets of subsidiary held for sale	12.9	0.4
Assets held for sale	2.4	5.2
Cash and cash equivalents	10.1	13.8
Total Assets	**320.0**	**361.5**

Consolidated Statement of Financial Position – Equity and liabilities

in EUR million	31 Dec. 2021	31 Dec. 2022
Equity		
Share capital	1.0	1.0
Retained earnings	22.3	40.7
Foreign currency translation reserve	0.2	5.1
Reserve	0.8	1.1
Total equity attributable to owners of the Company	**24.3**	**47.9**
Non-controlling interests	7.1	6.1
Subordinated debt	17.3	19.0
Total equity	**48.7**	**73.0**
Liabilities		
Borrowings	241.6	261.5
Provisions	0.1	0.2
Prepayments and other payments received from customers	0.9	0.5
Trade payables	2.7	1.7
Corporate income tax payable	3.7	4.4
Taxes payable	1.8	2.5
Other liabilities	10.1	12.6
Liabilities of subsidiary held for sale	6.1	0.1
Accrued liabilities	4.2	5.0
Other financial liabilities	0.1	-
Total liabilities	**271.3**	**288.5**
Total equity and liabilities	**320.0**	**361.5**

Consolidated Income Statement

in EUR million	12M 2021	12M 2022
Interest revenue calculated using the effective interest method	136.5	170.5
Interest expense calculated using the effective interest method	(28.2)	(32.0)
Net interest income	**108.3**	**138.5**
Fee and commission income	7.3	7.9
Revenue from rent	6.4	5.4
Total net revenue	**122.0**	**151.8**
Impairment expense	(38.5)	(42.4)
Expenses related to peer-to-peer platform services	(1.0)	(1.0)
Selling expense	(8.2)	(8.0)
Administrative expense	(51.3)	(61.6)
Bonds refinancing expense	(5.7)	-
Other operating (expense) / income	(2.2)	(5.2)
Net foreign exchange result	1.1	(6.2)
Profit before tax	**16.2**	**27.4**
Corporate income tax	(6.9)	(9.7)
Deferred corporate income tax	0.4	2.6
Net profit for the period	**9.7**	**20.3**
Discontinued operations	(2.6)	(1.7)
Translation of financial information of foreign operations to presentation currency	2.5	5.0
Total comprehensive income for the period without FX	6.0	24.8
Total comprehensive income for the period	**9.6**	**23.6**

Consolidated Statement of Cash Flow

in EUR million	31 Dec. 2021	31 Dec. 2022
Cash flows to/from operating activities		
Profit before tax	14.4	25.8
Adjustments for:		
Amortisation and depreciation	5.3	8.7
Interest expense	21.4	32.0
Interest income	(94.4)	(170.5)
Loss on disposal of property, plant and equipment	2.5	2.8
Impairment expense	28.6	42.4
Loss/(gain) from fluctuations of currency exchange rates	0.8	1.2
Operating profit before working capital changes	**(21.4)**	**(57.6)**
(Increase)/decrease in inventories	(2.3)	1.3
(Increase)/decrease in receivables	(55.0)	(72.3)
Increase/(decrease) in trade payable, taxes payable and other liabilities	(1.6)	(7.1)
Cash generated to/from operating activities	(80.3)	(135.7)
Interest received	96.7	170.5
Interest paid	(19.8)	(29.1)
Corporate income tax paid	(2.6)	(9.9)
Net cash flows to/from operating activities	**(6.0)**	**(4.2)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(5.3)	(5.1)
Purchase of rental fleet	(3.0)	(5.0)
Loan repayments received	6.5	5.7
Loans issued and bank deposits	(0.5)	-
Net cash flows to/from investing activities	**(2.3)**	**(4.4)**
Cash flows to/from financing activities		
Proceeds from borrowings	211.6	190.5
Repayments for borrowings	(198.2)	(177.6)
Dividends paid	(0.3)	(0.6)
Net cash flows to/from financing activities	**13.1**	**12.3**
Change in cash	4.8	3.7
Cash at the beginning of the period	9.3	10.1
Cash at the end of the period	**14.1**	**13.8**

Latvian operations only

Condensed Financial Information of JSC "mogo" (consolidated)

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

in EUR million	12M 2021	12M 2022
Interest revenue calculated using the effective interest method	7.7	7.5
Interest expense calculated using the effective interest method	(4.5)	(4.3)
Net interest income	**3.2**	**3.2**
Fee and commission income	0.4	0.2
Revenue from rent	6.5	4.7
Total net revenue	**10.1**	**8.1**
Impairment expense	0.3	0.4
Expenses related to peer-to-peer platforms services	(0.1)	(0.1)
Selling expense	(0.2)	(0.2)
Administrative expense	(5.9)	(5.1)
Other operating (expense) / income	1.4	0.7
Profit before tax	**5.6**	**3.8**
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	**5.6**	**3.8**

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

in EUR million	31 Dec. 2021	31 Dec. 2022
Assets		
Loans and lease receivables and rental fleet	16.6	12.6
Loans to Eleving Group S.A.	35.6	39.9
Property, plant and equipment	0.8	0.8
Receivables from group companies	0.9	0.6
Other receivables	0.7	0.7
Prepaid expense	0.1	0.1
Cash and cash equivalents	0.4	0.7
Total assets	**55.1**	**55.4**

in EUR million	31 Dec. 2021	31 Dec. 2022
Equity		
Share capital	0.4	0.4
Other reserves	(1.8)	(1.8)
Retained earnings		
Brought forward	10.2	15.8
For the period	5.6	3.8
Total equity	**14.4**	**18.2**
Liabilities		
Borrowings	37.8	34.5
Other provisions	1.8	1.3
Prepayments received from customers	0.1	0.2
Trade payables	0.1	0.4
Payables to related companies	0.4	0.4
Taxes payable	0.1	-
Accrued liabilities	0.4	0.4
Total liabilities	**40.7**	**37.2**
Total equity and liabilities	**55.1**	**55.4**

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

Market definitions

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

Important information

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