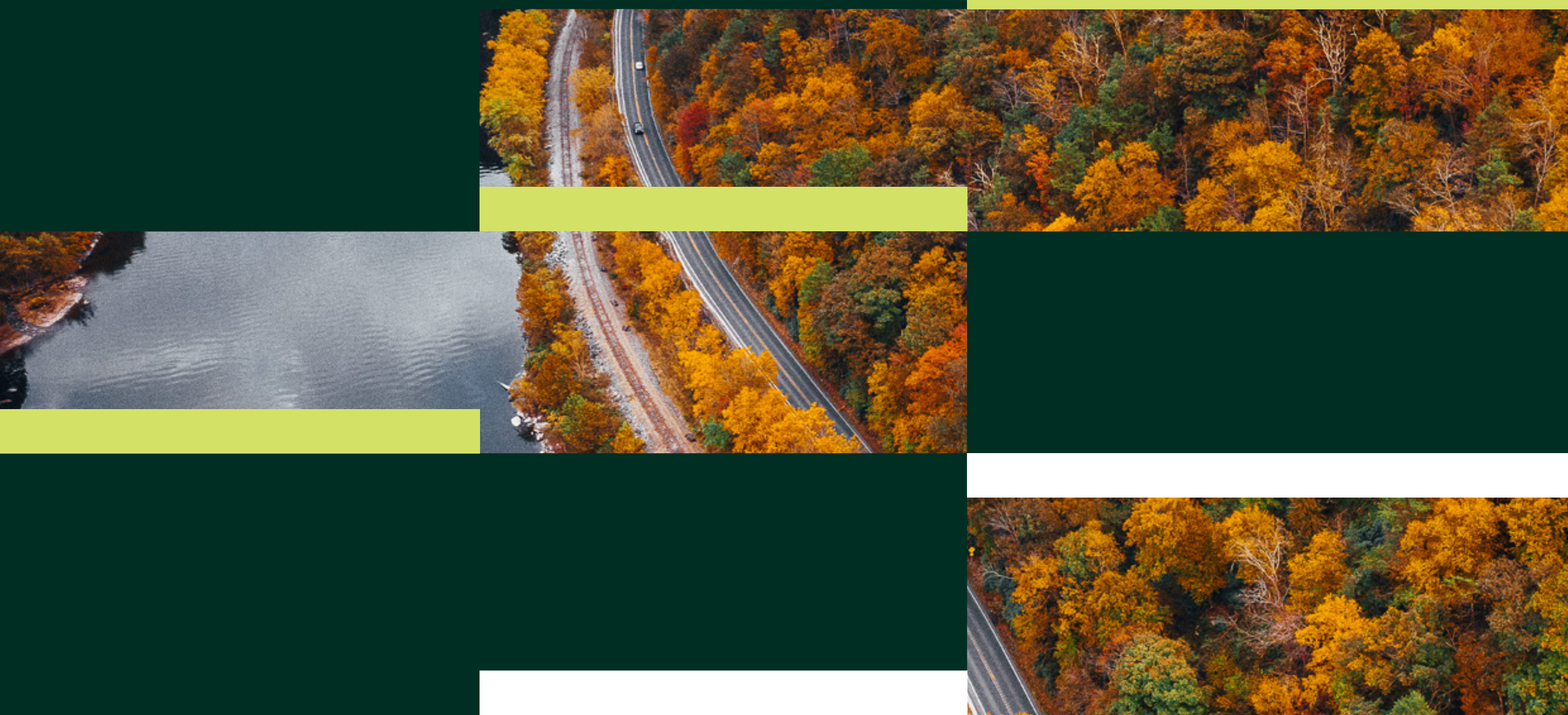
Eleving GROUP

Unaudited results
for the nine months
ended 30 September 2023



# Content

# 9 months at a glance

**242 000+**
Total Number of Active Customers

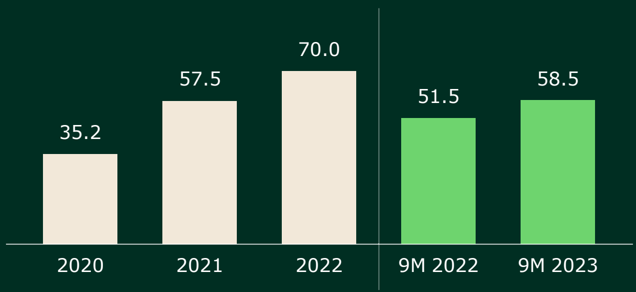
**EUR 58.5 mln[1]**
EBITDA, 9M 2023

**EUR 327.3 mln**
Vehicle and Consumer Financing Net Portfolio

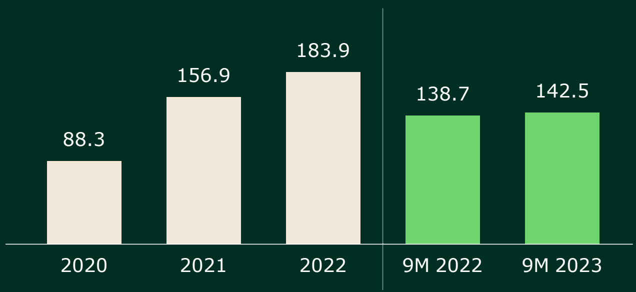
**EUR 142.5 mln[2]**
Revenues, 9M 2023

## Continuously strong 9M EBITDA[1] — EUR 58.5 mln

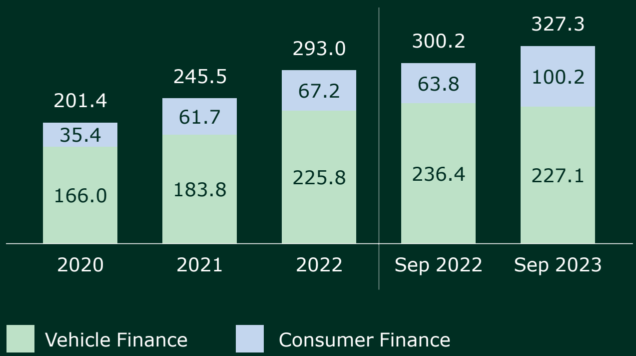
### EBITDA, EUR mln[1]



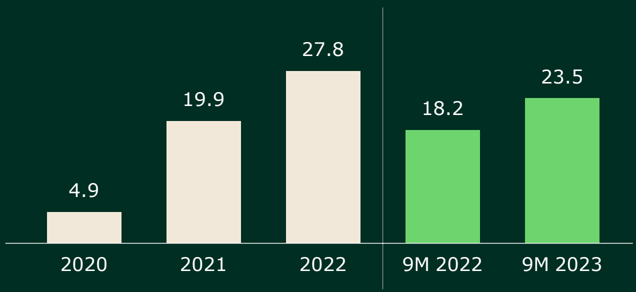

### Revenue, EUR mln[2]




### 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 5.0 mln. 9M 2022 EBITDA adjusted with an increase by one-ff costs of: (a) loss resulting from subsidiary write-off EUR 0.4 mln; and a decrease by one off-gains of: (a) non-controlling interests EUR 3.1 mln. 9M 2023 EBITDA adjusted with a decrease by one off-gains of: (a) non-controlling interests EUR 3.8 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. 9M 2022 adjusted with an increase by one-ff costs of: (a) loss resulting from subsidiary write-off EUR 0.4 mln.

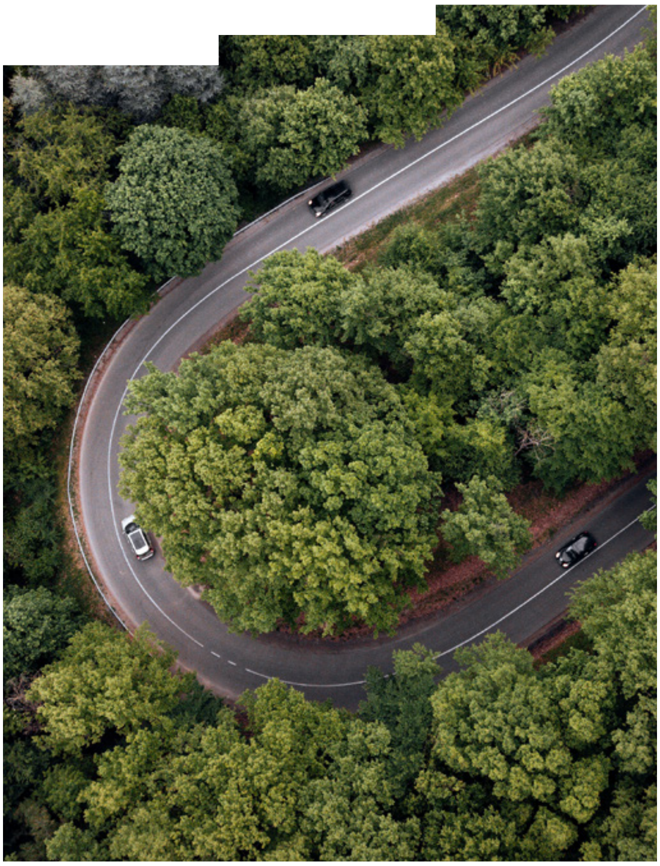
# Steady portfolio growth while maintaining excellent profitability

## Operational and Strategic Highlights

- Following the best quarter this year, the Group closed the nine months with healthy financial performance. The nine-month revenue reached EUR 136.0 mln, up by 2.6% compared to the corresponding period last year. Meanwhile, the Group's net portfolio landed at EUR 327.3 mln, showing a significant increase of around 11% QOQ. Excluding the integrated ExpressCredit business, the Group still recorded a healthy portfolio growth of 2.8% QOQ.
- Diversified business operations and a balanced revenue stream from all three core business lines:
  - Flexible lease and subscription-based products contributed EUR 37.7 mln to the 9M 2023 revenues— a steady result compared to the 9M 2022. The steady volumes in absolute figures can be explained by the selling of the Renti Plus portfolio and a slight decline in income from motorcycle taxi loans, which is compensated by improving results from Renti Lithuania operations.
  - Traditional lease and leaseback products contributed EUR 51.0 mln to the 9M 2023 revenues— an unchanged result compared to the 9M 2022, mainly affected by Belarus portfolio run-down.
  - Revenues from the consumer loan segment contributed EUR 47.3 mln to the 9M 2023 revenues— up by 8.0% compared to 9M 2022, mainly driven by the integration of the Express Credit business and successful results from the consumer segment in the Balkans.
- The respective quarter is the first since the integration of the ExpressCredit business into the Group's portfolio and operations. The new countries have already shown strong results in the first months, contributing to the Group's net portfolio with EUR 26 mln, recording revenues of EUR 5.0 mln, EBITDA of EUR 2.9 mln, and comprehensive income of EUR 0.4 mln.
- In Q3, the Group introduced a new B2B car sales platform to make car purchases more accessible and faster for small and medium-sized businesses. At the end of Q3, the platform is live in Lithuania, with a goal to gradually localize it across other Group markets.
- In the ESG and sustainability area, Eleving Group continued its course to introduce electric motorcycle financing in Kenya, with over 150 units financed. The Group sees increasing interest from self-employed and SMEs; therefore, in the coming months, by increasing supply capacity, the company expects to intensify e-boda financing significantly. In addition, the Group is steps away from launching e-boda financing services in Uganda.
- During Q3, OX Drive, an electric car-sharing service with Tesla vehicles, has continued to show notable operational results. Since the launch of the OX Drive last summer, more than 35,000 customers have used the service, and they have commuted over 2.5 million kilometers on 64,000 journeys. In Q3, the company was exploring new avenues to attract external investment for further expansion, resulting in the allocation of EUR 2.8 mln for fleet development provided by Industra Bank in late October.

## Financial Highlights and Progress

- Solid profitability as evidenced by:
  - Adjusted EBITDA of EUR 58.5 mln (9M 2022: EUR 51.5 mln).
  - Adjusted Net Profit before FX of EUR 23.5 mln (9M 2022: EUR 18.2 mln).
  - Adjusted Net Profit after FX of EUR 19.4 mln (9M 2022: EUR 18.7 mln).
- Increasing net portfolio of EUR 327.3 mln; Eleving Vehicle Finance and Eleving Consumer Finance accounted for EUR 227.1 mln and EUR 100.2 mln, respectively.
- In Q3, the Group laid the groundwork for the new bond issue and further diversification of the Group's funding structure and maturities. Investors were allowed to exchange or subscribe to the Eleving Group 2023/2028 senior secured and guaranteed bonds featuring a 13% coupon rate. As a result, Eleving Group issued bonds worth EUR 50 million with a maturity date in 2028.
- Alongside the Eurobond issue, a new local Kenyan 3Y bond program has been launched to attract up to EUR 12 mln in local currencies.
- In the meantime, the newly integrated ExpressCredit comes with a pre-funded business consisting of numerous funding channels such as local impact funds, Mintos, and local bank borrowings.
- The nine months of 2023, similarly to the previous ones, were again closed with a healthy financial position, supported by the capitalization ratio of 26.6% (31 December 2022: 25.8%), ICR ratio of 2.4 (31 December 2022: 2.4), and net leverage of 3.6 (31 December 2022: 3.3), providing an adequate and stable headroom for Eurobond covenants.



# Comments from Eleving Group CEO and CFO

**Modestas Sudnius**
CEO of Eleving Group

Looking back at the last quarter, we see that Eleving Group has successfully managed the challenges faced by the global economy. We see that the business is stable, and that's exactly what we wanted to achieve - to increase the quality of the portfolio and sustain a healthy growth pace. Given the rising inflation, we see that the payment discipline of our clients is slightly changing, but it does not have an impact on our portfolio at significant levels. The reason for that is the strategy we have set previously that is showing its effectiveness during the third and previous quarters of this year.

After a slightly slower first half, in Q3, we could see a gradual improvement in consumption figures in the markets we represent, which we see in an increase in the number of applications received and overall growth in the portfolio. Disregarding obtained markets, the net loan portfolio grew by close to 3% in the third quarter. Our consumer lending segment continues to show solid growth in Balkan markets, while the vehicle segment is picking up healthy dynamics again.

In Q3, as in previous ones, one of our key priorities was to streamline our business processes. We continued to improve our underwriting policy and further reviewed our administrative costs and pricing strategies.

At the moment, I believe that we have done an excellent job in the areas listed above to successfully overcome the winter period, which often has a particular impact on customers and their ability to meet their obligations.

The main operational focus for the group in the third quarter was the integration of Express Credit – a consumer lender in the South African region, which Eleving Group obtained in July, into the Group's systems and procedures. We aim to finish technical integration during this year and expect a noticeable increase in efficiency and cost-effectiveness after this is done. Newly obtained businesses have great potential for growth in the near future, and, already in the third quarter, it has delivered a sizable addition to Eleving Group's results.

At the same time, we have not stopped pursuing our green course. In Kenya, our e-boda business is gathering momentum, and we see increasing interest in electric mobility from local consumers and small businesses. In addition, we are a few steps away from launching an identical service in Uganda. Meanwhile, OX Drive has continued to perform strongly in the third quarter, and it is clear that green car-sharing is becoming a preferred way of transport for many people in Latvia.

In the third quarter, we continued to deliver strong results in key business areas. The Group generated revenues of EUR 142.5 mln, with a net portfolio of EUR 327.3 mln. The corresponding adjusted EBITDA for this period stood at EUR 58.5 mln, compared to EUR 51.5 mln from the previous year. Furthermore, the adjusted net profit before FX reached EUR 23.5 mln, an increase of EUR 5.3 mln compared to the nine-month period of 2022.

This is the first quarter in which we have fully integrated ExpressCredit into our portfolio and operations. ExpressCredit has contributed to the Group's overall result with an additional net loan portfolio of EUR 26 mln, revenues of EUR 5.0 mln, EBITDA of EUR 2.9 mln, and comprehensive income of EUR 0.4 mln. This is the performance we expected from the newly integrated business, and we remain optimistic about business prospects in the coming quarters.

During the third quarter, a strong emphasis was placed on further diversification of our funding structure. We laid the foundations for the bond issue concluded in October this year, where investors were offered an exchange of Mogo AS 2021/2024 bonds and a subscription for the new Eleving Group 2023/2028 senior secured and guaranteed bonds with a coupon rate of 13%.

As a result, Eleving Group issued bonds worth EUR 50 mln with maturity in 2028. Volume-wise, this already is one of the largest corporate public bond offerings carried out in the Baltics in recent years. Additionally, we see this issue as a great success for further diversification of our funding structure, given that we have onboarded close to 2000 new investors from numerous geographies without large single investor concentration. Also, the new bonds will improve our debt maturity profile. We have reached the point where the next significant maturity is three years away, which gives us considerable time to prepare for it.

In the near future, we plan to attract new debt service providers - local and international investors - to diversify our lender base in markets such as Botswana and Namibia. Finally, in Q4, we plan to strategically deploy newly raised proceeds in accordance with Eleving Group's 2023/2028 bond prospectus, mainly to refinance Mogo AS 2021/2024 bonds and to cover other Group liabilities.

**Māris Kreics**
CFO of Eleving Group

A Way
Way Up

# Outlook - Products & Strategy

## To become an ultimate mobility platform

| | Mobility | | | | | Inclusion |
|---|---|---|---|---|---|---|
| | Financing | | Flexible lease and subscription | | | Consumer lending |
| Products & services | mogo<br>Vehicle leasing for pre-owned cars | primero<br>Premium vehicle leasing for pre-owned cars | Renti<br>Rent-to-buy & subscription services for ultimate flexibility | Boda loans<br>mogo<br>Motorcycle taxi loans in emerging markets[1] | OX DRIVE<br>Electric car sharing product | Kredo.al<br>Tigo.mk<br>Sebo.md<br>ExpressCredit<br>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 controlled growth, subject to the availability of bank financing | Maintain organic growth in the existing markets | Double rental fleet and scale the product further in Latvia | Maintain controlled growth in the legacy consumer finance markets, while focusing on profitability<br>Integrate, optimize and scale-up the recently obtained markets |

## Processes

**Finalize integration of EC Finance Group** under Consumer Finance hub.

**Continue electric vehicle funding initiatives in Africa** and establish strategic partnerships with electric vehicle infrastructure providers in the region.

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

## Capital management

**Maintain sufficient and comfortable headroom for financial covenants**: Interest Coverage ratio (ICR), Net Leverage ratio and Capitalization ratio.

**Focus on efficient capital allocation between the existing markets and products** and scale-up recently integrated businesses.

Continue to **decrease exposure in Belarus.**

Explore routes for attracting **outside equity.**

Continue fundraising initiatives with an aim of **supplementing the existing capital structures of different markets with local currency funding** and investigating new debt funding avenues.

## Social impact

**Setting up a development and training program for employees** for 2024.

**Localize financial literacy platform for newly integrated ExpressCredit** business in Botswana, Namibia, Zambia, and Lesotho.

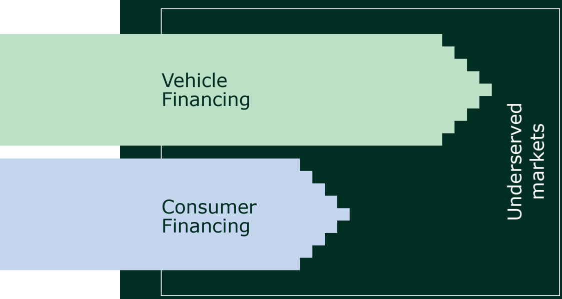
**Launch electric motorcycle-taxi** (e-boda) **financing product in Uganda.**

[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.

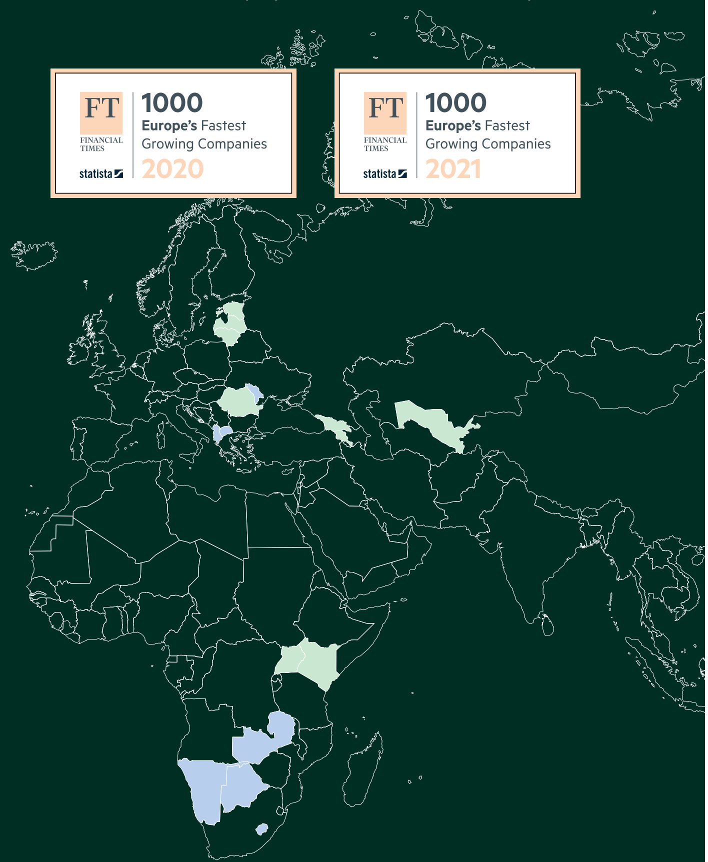



## Presence

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

## Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with more than 2 600 employees and 242 000 active loyal customers.




# Conference call

## On 14 November

A conference call in English with the Group's management team to discuss these results is scheduled for 14 November 2023, 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 nine months period ended 30 September 2022 and 30 September 2023.

| EUR million | 9M 2022 | 9M 2023 | Change (%) |
|---|---|---|---|
| Interest and similar income | 128,4 | 132,8 | 3,4% |
| Interest expense and similar expenses | (22,8) | (27,3) | 19,7% |
| **Net interest income** | **105,6** | **105,5** | **(0,1%)** |
| Income from used vehicle rent | 4,2 | 3,2 | (23,8%) |
| Impairment expense | (35,3) | (30,6) | (13,3%) |
| Operating expense and income | (49,3) | (50,0) | 1,4% |
| Net foreign exchange result | 0,5 | (4,1) | (920,0%) |
| **Profit before tax** | **25,7** | **24,0** | **-6,6%** |
| Corporate income tax | (7,4) | (4,6) | (37,8%) |
| Net profit for the period without FX and discontinued operations | 17,8 | 23,5 | 32,0% |
| **Net profit for the period** | **18,3** | **19,4** | **6,0%** |

### Interest, similar income and income from used vehicle rent

| EUR million | 9M 2022 | 9M 2023 | Change (%) |
|---|---|---|---|
| **Flexible lease and subscription based products** | **37,3** | **37,7** | **1,1%** |
| Interest and similar income | 33,1 | 34,3 | 3,6% |
| Rental income | 4,2 | 3,2 | (23,8%) |
| Other | - | 0,2 | - |
| **Traditional lease and leaseback products** | **51,5** | **51,0** | **-1,0%** |
| Interest and similar income | 51,5 | 51,0 | -1,0% |
| **Consumer lending products** | **43,8** | **47,3** | **8,0%** |
| Interest and similar income | 43,8 | 47,3 | 8,0% |
| **Average net loan and used vehicle rent portfolio** | **272,7** | **310,2** | **13,8%** |
| **Average income yield on net loan and used vehicle rent portfolio** | **64,8%** | **58,5%** | **(6.3) p.p.** |
| **Average income yield on net loan and used vehicle rent portfolio (annualized EC Finance Group's figures incorportated)** | **64,8%** | **62,4%** | **(2.4) p.p.** |

Flexible lease and subscription based products revenues increased by 1.1% to EUR 37.7 million (9M 2022: EUR 37.3 million). Decrease of rental income due to Renti Plus business operations sale was offset by the solid performance in productive lending in the motorcycle-taxi segment in Uganda and a successful scale-up of rental and subscription-based products in the Baltics.

Traditional lease and leaseback products revenues decreased by 1.0% to EUR 51.0 (9M 2022: EUR 51.5 million) mainly driven by slowdown in the East African portfolio, which was partially offset by portfolio growth in Romania.

Lastly, consumer lending products revenues increased by 8.0% to EUR 47.3 million (9M 2022: EUR 43.8 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 19.7% to EUR 27.3 million (9M 2022: EUR 22.8 million) driven by the increase in total borrowings to EUR 306.6 million (31 December 2022: EUR 261.5 million).

### Income from used vehicle rent

Income from used vehicle rent decreased by 23.8% to EUR 3.2 million (9M 2022: EUR 4.2 million). Due to partial vehicle rental portfolio sale, the total used vehicle rental fleet decreased to EUR 7.0 million (31 December 2022: EUR 10.0 million).

### Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables increased by 20.8% to EUR 18.7 million (9M 2022: EUR 15.5 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 6.8% (conservative 35+ days past due) of the total net portfolio (31 December 2022: 6.5%) with provision coverage ratio of 87.5% (31 December 2022: 88.3%).

### Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables decreased by 39.9% to EUR 11.9 million (9M 2022: EUR 19.8 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 4.7% (90+ days past due) of the total net portfolio (31 December 2022: 5.5%) with provision coverage ratio of 119.8% (31 December 2022: 131.9%).

### Operating expense

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

| EUR million | 9M 2022 | 9M 2023 | Change (%) |
|---|---|---|---|
| Employees' salaries | 24,8 | 25,7 | 3,6% |
| Marketing expenses | 5,9 | 4,6 | (22,0%) |
| Office and branch maintenance expenses | 1,9 | 2,3 | 21,1% |
| Professional services | 2,0 | 2,0 | 0,0% |
| Amortization and depreciation | 6,2 | 6,9 | 11,3% |
| Other operating expenses/(income) | 8,5 | 8,5 | 0,0% |
| **Total operating expense** | **49,3** | **50,0** | **1,4%** |

The total operating expense for the period increased slightly to EUR 50.0 million (9M 2022: EUR 49.3 million).

Salaries increased by 3.6% to EUR 25.7 million (9M 2022: EUR 24.8 million), comprising 51.4% of the total operating expenses (9M 2022: 50.3%). Meanwhile, marketing expenses, with effective cost of EUR 12 per loan issued, accounted for 9.2% of the total operating expenses (9M 2022: 12.0%).

## Profit before tax

The consolidated profit before taxes decreased by 6.6% and amounted to EUR 24.0 million (9M 2022: EUR 25.7 million).

## Corporate income tax

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

| EUR million | 9M 2022 | 9M 2023 | Change (%) |
|---|---|---|---|
| Corporate income tax | (8,7) | (6,4) | (26,4%) |
| Deferred tax | 1,3 | 1,8 | 38,5% |
| **Total corporate income tax** | **(7,4)** | **(4,6)** | **(37,8%)** |

## Profit for the period

The consolidated net profit for the period increased by 6.0% and amounted to EUR 19.4 million (9M 2022: EUR 18.3 million).

## Alternative performance measures (non-IFRS)

| EUR million | 9M 2022 | 9M 2023 | Change (%) |
|---|---|---|---|
| Profit for the period | 18,3 | 19,4 | 6,0% |
| Provisions for taxes | 7,4 | 4,6 | (37,8%) |
| Interest expense | 22,8 | 27,3 | 19,7% |
| Depreciation and amortization | 6,2 | 6,9 | 11,3% |
| Currency exchange (gain)/loss | (0,5) | 4,1 | (920,0%) |
| **EBITDA** | **54,2** | **62,3** | **14,9%** |
| Non-controlling interests | (3,1) | (3,8) | 21,8% |
| (Gain)/Loss from subsidiary sale | 0,4 | - | -100,0% |
| **Adjusted EBITDA** | **51,5** | **58,5** | **13,6%** |

### Condensed consolidated balance sheet

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

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| Intangible assets | 15,7 | 22,1 |
| Tangible assets | 12,7 | 13,8 |
| Loans and lease receivables and rental fleet | 293,1 | 327,3 |
| Deferred tax asset | 5,6 | 9,8 |
| Inventories | 2,5 | 4,3 |
| Non-current assets held for sale | 1,1 | 1,3 |
| Other receivables | 16,4 | 20,5 |
| Assets of subsidiary held for sale | 0,4 | 0,2 |
| Cash and cash equivalents | 13,8 | 26,5 |
| **Total assets** | **361,3** | **425,8** |

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| Share capital and reserves | 2,1 | 4,2 |
| Foreign currency translation reserve | 4,9 | 3,0 |
| Retained earnings | 38,3 | 48,1 |
| Non-controlling interests | 8,9 | 12,1 |
| Subordinated debt | 19,0 | 17,8 |
| **Total equity** | **73,2** | **85,2** |
| Borrowings | 261,5 | 306,6 |
| Other liabilities | 26,6 | 34,0 |
| **Total liabilities** | **288,1** | **340,6** |
| **Total equity and liabilities** | **361,3** | **425,8** |

### Assets

The total assets of the Group increased by 17.9% to EUR 425.8 million (31 December 2022: EUR 361.3 million), chiefly due to the integration of EC Finance Group consumer lending business.

### Tangible assets

Tangible assets increased by 8.7% to EUR 13.8 million (31 December 2022: EUR 12.7 million).

## Net loan and used vehicle rent portfolio

The net loan and used vehicle rent portfolio increased by 11.7% to EUR 327.3 million (31 December 2022: EUR 293.1 million).

### Net loan and used vehicle rent portfolio split by market type

| EUR million | 31 Dec. 2022 | Total share (%) | 30 Sep. 2023 | Total share (%) |
|---|---|---|---|---|
| Developed countries* | 140,5 | 47,9% | 140,6 | 43,0% |
| Developing countries** | 85,4 | 29,1% | 86,4 | 26,4% |
| Consumer loan markets | 67,2 | 22,9% | 100,2 | 30,6% |
| Countries on hold*** | - | - | 0,1 | 0,0% |
| **Total net loan and used vehicle rent portfolio** | **293,1** | **100,0%** | **327,3** | **100,0%** |

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

** Developing countries are Uzbekistan, Kenya and Uganda

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

### Net loan portfolio split by product type

| EUR million | 31 Dec. 2022 | Total share (%) | 30 Sep. 2023 | Total share (%) |
|---|---|---|---|---|
| Flexible and subscription based products | 72,7 | 24,8% | 73,0 | 22,3% |
| Traditional lease and leaseback products | 153,2 | 52,3% | 154,1 | 47,1% |
| Consumer lending products | 67,2 | 22,9% | 100,2 | 30,6% |
| **Total net loan portfolio split by product type** | **293,1** | **100,0%** | **327,3** | **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 22.3% and 47.1% 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 considerably increased the share within the Group and now is standing at 30.6% from the total net loan and used vehicle rent portfolio.

Despite certain regional macro headwinds, the 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. 2022 | Total share (%) | 30 Sep. 2023 | Total share (%) |
|---|---|---|---|---|
| STAGE 1* | 175,4 | 81,2% | 181,0 | 82,2% |
| STAGE 2** | 26,4 | 12,2% | 24,2 | 11,0% |
| STAGE 3*** | 14,1 | 6,5% | 14,9 | 6,8% |
| **Total net loan portfolio** | **215,9** | **100,0%** | **220,1** | **100,0%** |
| Used vehicle rent | 10,0 | 4,4% | 7,0 | 3,1% |
| **Total net loan and used vehicle rent portfolio** | **225,9** | | **227,1** | |
| **Net NPL ratio****** | **6,5%** | | **6,8%** | |
| **Impairment coverage ratio******* | **88,3%** | | **87,5%** | |

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

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

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

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

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

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

NPLs in the net loan and used vehicle rent portfolio remained stable and amounted to 6.8% (31 December 2022: 6.5%).

## 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. 2022 | Total share (%) | 30 Sep. 2023 | Total share (%) |
|---|---|---|---|---|
| STAGE 1* | 61,7 | 91,8% | 93,2 | 93,0% |
| STAGE 2** | 1,8 | 2,7% | 2,3 | 2,3% |
| STAGE 3*** | 3,7 | 5,5% | 4,7 | 4,7% |
| **Total net loan portfolio** | **67,2** | **100,0%** | **100,2** | **100,0%** |
| **Net NPL ratio****** | **5,5%** | | **4,7%** | |
| **Impairment coverage ratio*******| **131,9%** | | **119,8%** | |

* 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 decreased marginally and amounted to 4.7% (31 December 2022: 5.5%).

## Equity

The total equity of the Group increased by 16.4% to EUR 85.2 million (31 December 2022: EUR 73.2 million). The capitalization ratio at the end of the period stood at 26.6% (31 December 2022: 25.8%), providing adequate and stable headroom for Eurobond covenants.

## Liabilities

The total liabilities of the Group increased by 18.2% and stood at EUR 340.6 million (31 December 2022: EUR 288.1 million). The increase mainly was due to EC Finance Group integration and its liability overtaking within the Group. Total borrowings grew to EUR 306.6 million (31 December 2022: EUR 261.5 million).

## Borrowings

The table below sets out borrowings by type.

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| Loans from banks | 5,6 | 8,0 |
| Africa Notes | 7,3 | 22,5 |
| Latvian Bonds | 28,8 | 29,6 |
| Private debt funds | - | 9,5 |
| Eurobonds (excl. accrued interest) | 149,7 | 145,8 |
| Bond acquisition costs and accrued interest | (1,2) | 2,8 |
| Financing received from P2P investors | 67,6 | 79,4 |
| Loans from other parties | 3,7 | 9,0 |
| **Total borrowings** | **261,5** | **306,6** |

### 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

| EUR million | 9M 2022 | 9M 2023 |
|---|---|---|
| Profit before tax | 24,2 | 23,8 |
| Net cash flows from operating activities | (2,8) | 18,7 |
| Net cash flows from investing activities | (4,8) | 0,8 |
| Net cash flows from financing activities | 22,4 | (6,8) |
| Change in cash | 14,8 | 12,7 |
| Cash at the beginning of the year | 10,1 | 13,8 |
| Cash at the end of the year | 24,9 | 26,5 |

Net cash inflow from operating activities amounted to EUR 18.7 million (9M 2022: cash outflow of EUR 2.8 million). The Group's net cash inflow from investing activities totalled EUR 0.8 million (9M 2022: cash outflow of EUR 4.8 million). Finally, the Group's cash outflow from financing activities amounted to EUR 6.8 million (9M 2022: cash inflow of EUR 22.4 million).

## Eurobond covenant ratios

| Capitalization | 31 Dec. 2022 | 30 Sep. 2023 | Change (p.p.) |
|---|---|---|---|
| Equity/Net loan portfolio | 25,8% | 26,6% | 0,8 |

| Profitability | 31 Dec. 2022 | 30 Sep. 2023 | Change |
|---|---|---|---|
| Interest coverage ratio (ICR) | 2,4 | 2,4 | - |

| Leverage | 31 Dec. 2022 | 30 Sep. 2023 | Change |
|---|---|---|---|
| Net leverage | 3,3 | 3,6 | 0,2 |

| EUR million | Mintos loans | | | Net loan and used vehicle rent portfolio | | | |
|---|---|---|---|---|---|---|---|
| Country | 31 Dec. 2022 | 30 Sep. 2023 | Change (%) | 31 Dec. 2022 | Total share (%) | 30 Sep. 2023 | Total share (%) |
| Armenia* | 1,1 | 1,5 | 36,4% | 12,6 | 5,6% | 12,8 | 5,6% |
| Belarus* | 1,4 | - | (100,0%) | 14,7 | 6,5% | 9,8 | 4,3% |
| Georgia* | 1,9 | 1,1 | (42,1%) | 16,2 | 7,2% | 16,8 | 7,4% |
| Estonia* | 4,8 | 3,3 | (31,3%) | 11,5 | 5,1% | 11,1 | 4,9% |
| Kenya** | 4,8 | 6,2 | 29,2% | 53,7 | 23,8% | 50,8 | 22,4% |
| Latvia* | 1,8 | 2,6 | 44,4% | 13,3 | 5,9% | 10,6 | 4,7% |
| Lithuania* | 2,2 | 7,9 | 259,1% | 27,2 | 12,0% | 31,0 | 13,7% |
| Moldova* | 6,3 | 3,7 | (41,3%) | 15,9 | 7,0% | 17,1 | 7,5% |
| Romania* | 14,9 | 14,2 | (4,7%) | 29,1 | 12,9% | 31,4 | 13,8% |
| Uganda** | - | - | - | 23,0 | 10,2% | 25,3 | 11,1% |
| Uzbekistan** | - | - | - | 8,7 | 3,9% | 10,3 | 4,5% |
| Countries on hold*** | - | - | - | - | - | 0,1 | 0,0% |
| **Total vehicle lease and rent** | **39,2** | **40,5** | **3,3%** | **225,9** | **100%** | **227,1** | **100%** |
| Consumer loan markets | 28,4 | 38,9 | 37,0% | 67,2 | 22,9% | 100,2 | 30,6% |
| **Total** | **67,6** | **79,4** | | **293,1** | | **327,3** | |

* 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

# Recent developments

**No Regulatory Changes**

No material regulatory changes have taken place since 30 September 2023.

**Events after the balance sheet date**

In October the Group issued EUR 50 mln senior secured and guaranteed bonds. The investments attracted will be mainly used to refinance Mogo AS 2021/2024 bonds maturing next year on March 31 and to repay other Group's liabilities. The new bonds were listed on the Regulated Market of Frankfurt Stock Exchange on October 31, while on the Regulated Market of Nasdaq Riga Stock Exchange, they were listed on November 6.

**Directors' Statement**

The consolidated nine 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 nine 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. 2022 | 30 Sep. 2023 |
|---|---|---|
| **Assets** | | |
| Goodwill | 4,7 | 6,4 |
| Internally generated intangible assets | 8,6 | 10,7 |
| Other intangible assets | 2,4 | 5,0 |
| Loans and lease receivables and rental fleet | 293,1 | 327,3 |
| Right-of-use assets | 9,9 | 10,8 |
| Property, plant and equipment | 2,2 | 2,2 |
| Leasehold improvements | 0,6 | 0,8 |
| Loans to related parties | 3,2 | 0,6 |
| Other financial assets | 1,4 | 1,0 |
| Deferred tax asset | 5,6 | 9,8 |
| Inventories | 2,5 | 4,3 |
| Prepaid expense | 2,1 | 2,9 |
| Trade receivables | 0,1 | - |
| Tax advances paid | 5,1 | 6,8 |
| Other receivables | 4,5 | 9,2 |
| Assets of subsidiary held for liquidation | 0,4 | 0,2 |
| Assets held for sale | 1,1 | 1,3 |
| Cash and cash equivalents | 13,8 | 26,5 |
| **Total Assets** | **361,3** | **425,8** |

## Consolidated Statement of Financial Position – Equity and liabilities

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| **Equity** | | |
| Share capital | 1,0 | 2,9 |
| Retained earnings | 38,3 | 48,1 |
| Foreign currency translation reserve | 4,9 | 3,0 |
| Reserve | 1,1 | 1,3 |
| **Total equity attributable to owners of the Company** | **45,3** | **55,3** |
| Non-controlling interests | 8,9 | 12,1 |
| Subordinated debt | 19,0 | 17,8 |
| **Total equity** | **73,2** | **85,2** |
| **Liabilities** | | |
| Borrowings | 261,5 | 306,6 |
| Provisions | 0,2 | 0,2 |
| Prepayments and other payments received from customers | 0,5 | 1,3 |
| Trade payables | 1,7 | 1,5 |
| Corporate income tax payable | 3,9 | 6,2 |
| Taxes payable | 2,4 | 4,1 |
| Other liabilities | 12,8 | 15,3 |
| Liabilities of subsidiary held for sale | 0,1 | - |
| Accrued liabilities | 5,0 | 5,4 |
| **Total liabilities** | **288,1** | **340,6** |
| **Total equity and liabilities** | **361,3** | **425,8** |

## Consolidated Income Statement

| EUR million | 9M 2022 | 9M 2023 |
|---|---|---|
| Interest revenue calculated using the effective interest method | 128,4 | 132,8 |
| Interest expense calculated using the effective interest method | (22,8) | (27,3) |
| **Net interest income** | **105,6** | **105,5** |
| Fee and commission income | 6,1 | 6,5 |
| Revenue from rent | 4,2 | 3,2 |
| **Total net revenue** | **115,9** | **115,2** |
| Impairment expense | (35,3) | (30,6) |
| Expenses related to P2P platform services | (0,7) | (0,7) |
| Selling expense | (5,9) | (4,6) |
| Administrative expense | (46,9) | (47,9) |
| Other operating income/(expense) | (1,9) | (3,3) |
| Net foreign exchange result | 0,5 | (4,1) |
| **Profit before tax** | **25,7** | **24,0** |
| Corporate income tax | (8,7) | (6,4) |
| Deferred corporate income tax | 1,3 | 1,8 |
| **Net profit for the period** | **18,3** | **19,4** |
| Discontinued operations | (1,5) | (0,3) |
| Translation of financial information of foreign operations to presentation currency | 8,8 | (1,9) |
| Total comprehensive income for the period without FX | 16,4 | 23,2 |
| **Total comprehensive income for the period** | **25,6** | **17,2** |

## Consolidated statement of cash flow

| EUR million | 9M 2022 | 9M 2023 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 24,2 | 23,8 |
| Adjustments for: | | |
| Amortisation and depreciation | 6,2 | 6,9 |
| Interest expense | 22,8 | 27,3 |
| Interest income | (128,4) | (132,8) |
| Loss on disposal of property, plant and equipment | 2,2 | 0,2 |
| Impairment expense | 35,3 | 30,6 |
| Loss/(gain) from fluctuations of currency exchange rates | (9,3) | 6,0 |
| **Operating profit before working capital changes** | **(47,0)** | **(38,0)** |
| (Increase)/decrease in inventories | 0,7 | (1,8) |
| (Increase)/decrease in receivables | (55,8) | (51,1) |
| Increase/(decrease) in trade payable, taxes payable and other liabilities | (4,0) | 0,6 |
| Cash generated to/from operating activities | (106,1) | (90,3) |
| Interest received | 128,5 | 132,8 |
| Interest paid | (18,8) | (20,0) |
| Corporate income tax paid | (6,4) | (3,8) |
| **Net cash flows from operating activities** | **(2,8)** | **18,7** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (5,4) | (3,4) |
| Purchase of rental fleet | (4,0) | (3,3) |
| Loan repayments received | 5,1 | 3,0 |
| Integration of a subsidiary, net of cash acquired | - | 4,5 |
| Loans issued and bank deposits | (0,5) | - |
| **Net cash flows from investing activities** | **(4,8)** | **0,8** |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | 143,5 | 122,1 |
| Repayments for borrowings | (121,1) | (123,1) |
| Dividends paid | - | (5,8) |
| **Net cash flows from financing activities** | **22,4** | **(6,8)** |
| Change in cash | 14,8 | 12,7 |
| Cash at the beginning of the period | 10,1 | 13,8 |
| **Cash at the end of the period** | **24,9** | **26,5** |

# Latvian operations only

## Condensed Financial Information of JSC "mogo" (consolidated)

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

| EUR million | 9M 2022 | 9M 2023 |
|---|---|---|
| Interest revenue calculated using the effective interest method | 5,5 | 5,7 |
| Interest expense calculated using the effective interest method | (3,2) | (3,2) |
| **Net interest income** | **2,3** | **2,5** |
| Fee and commission income | 0,1 | 0,1 |
| Revenue from rent | 3,7 | 2,2 |
| **Total net revenue** | **6,1** | **4,8** |
| Impairment expense | 0,4 | 0,4 |
| Selling expense | (0,2) | (0,1) |
| Administrative expense | (3,8) | (3,2) |
| Other operating income/(expense) | 0,5 | 0,3 |
| **Profit before tax** | **2,9** | **2,2** |
| Corporate income tax | - | - |
| Deferred corporate income tax | - | - |
| **Net profit for the period** | **2,9** | **2,2** |

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

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| **Assets** | | |
| Loans and lease receivables and rental fleet | 12,7 | 7,9 |
| Loans to Eleving Group S.A. | 39,9 | 45,0 |
| Property, plant and equipment | 0,8 | 0,8 |
| Receivables from group companies | 0,6 | 2,3 |
| Other receivables | 0,7 | 0,6 |
| Prepaid expense | 0,1 | - |
| Cash and cash equivalents | 0,7 | 0,5 |
| **Total assets** | **55,5** | **57,1** |

| EUR million | 31 Dec. 2022 | 30 Sep. 2023 |
|---|---|---|
| **Equity** | | |
| Share capital | 0,4 | 0,4 |
| Other reserves | (0,4) | (0,4) |
| Retained earnings | | |
| Brought forward | 15,5 | 19,3 |
| For the period | 3,8 | 2,2 |
| **Total equity** | **19,3** | **21,5** |
| **Liabilities** | | |
| Borrowings | 34,5 | 34,4 |
| Other provisions | 0,3 | 0,2 |
| Prepayments received from customers | 0,2 | - |
| Trade payables | 0,4 | 0,3 |
| Payables to related companies | 0,4 | 0,3 |
| Accrued liabilities | 0,4 | 0,4 |
| **Total liabilities** | **36,2** | **35,6** |
| **Total equity and liabilities** | **55,5** | **57,1** |

# 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
- **Developed markets** — Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova, Belarus
- **Developing markets** — Kenya, Uganda, Uzbekistan
- **On-hold markets** — Poland, Bosnia and Herzegovina

## Important information

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