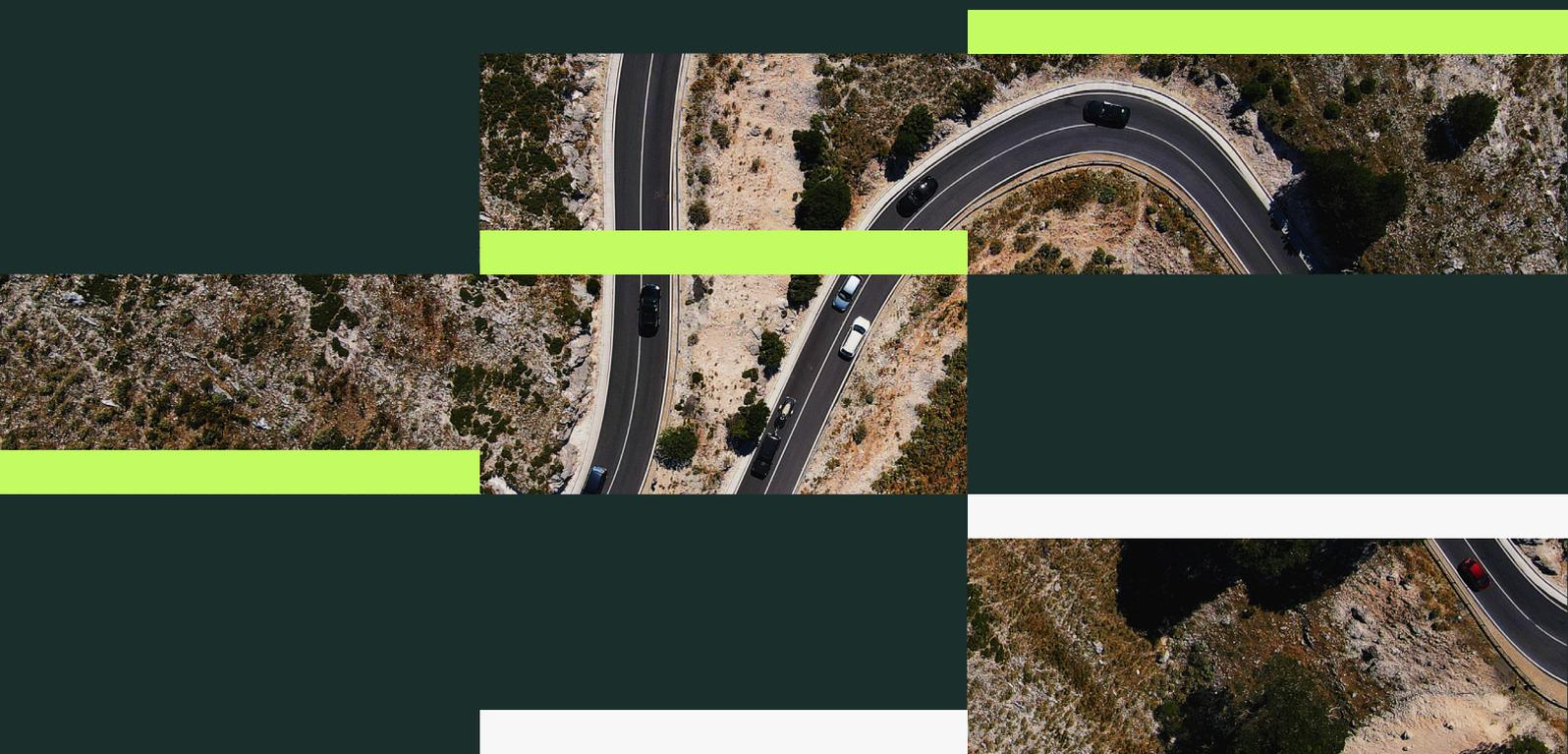


# Eleving<sup>GROUP</sup>

Former Mogo Finance

Unaudited results for  
for the twelve months  
ended 31 December 2021



# 12 months, 2021 At a Glance

## 350,000+

Total Number of Customers

## EUR 58.9 million<sup>1</sup>

EBITDA, 12M 2021

## EUR 244.7 million

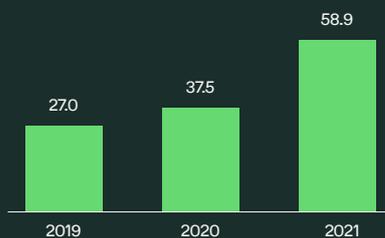
Vehicle and Consumer  
Financing Portfolio

## EUR 152.2 million<sup>2</sup>

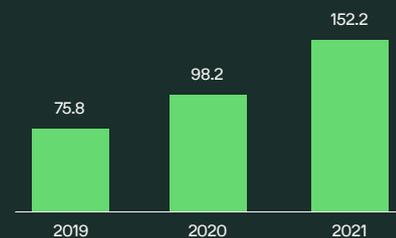
Revenues, 12M 2021

Highest ever 12 months EBITDA<sup>1</sup> – EUR 58.9 million

EBITDA, EUR mln <sup>1</sup>



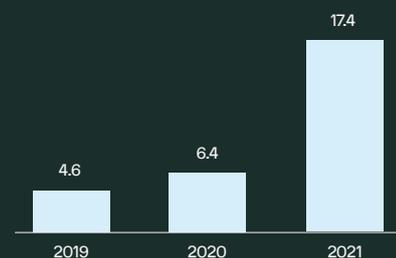
Revenue, EUR mln <sup>2</sup>



Net portfolio, EUR mln



Net profit before FX, EUR mln <sup>3</sup>



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

<sup>2</sup> Adjusted with fair value gain on acquisition in 2020 from portfolio in the amount of EUR 3.4 mln and subsequent amortization of portfolio gain in 2021 in the amount of EUR 3.2 mln

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

# Record profitability as a result of steady operational and financial performance

## Operational and Strategic Highlights

- Record-high twelve-month sales [ended 31 December 2021] achieved by best-to-date issuances [EUR 106 million] in Q4 2021, marking a remarkable year-on-year growth of 108%
- Substantial increase in performance levels [Key Performance Indicators]:
  - annual revenue up by 55% [y-o-y], surpassing EUR 150 million in 2021
  - annual adjusted EBITDA up by 57% [y-o-y], reaching EUR 58.9 million in 2021
  - net profit for the period hitting EUR 8.8 million mark
- Continued diversification of business and a balanced revenue stream from the 3 core business lines:
  - flexible lease and subscription-based products<sup>1</sup> contributed EUR 26.7 million to the annual revenue—a more than twofold increase y-o-y [EUR 7.9 million in 2020]. Primarily driven by growth in motorcycle-taxi financing in Kenya and Uganda, and successful rollout of rental and subscription products in the Baltics
  - lease and leaseback product revenue at a stable EUR 53.3 million, bouncing back from the slowdown caused by the COVID-19 pandemic in 2020, as well as rationalization of some markets over the 2020–2021 period
  - consumer lending products generated EUR 61 million
- Continued digitalization and automation of the processes and sales channels, facilitating processing of more than 200 000 applications and scoring of more than 100 000 clients per month
- Launching of the brand-new car subscription product in Latvia in Q4 2021, providing customers with an opportunity to drive a new car the same day and cover all vehicle rental and maintenance costs by a single monthly payment. Customer can choose a subscription period from 1 to 36 months
- With the help of sustainability consultants, Eleving Group conducted a materiality analysis among its stakeholders to contribute to synchronizing the Group's stakeholder expectations with the current and forthcoming regulatory requirements. The Group's headquarters implemented a carbon footprint assessment to minimize the climate impact, and will proceed with offsetting activities in 2022 to become a carbon-neutral company

in revenue—an all-time high and a direct result of the substantial portfolio growth throughout the year, mainly driven by the introduction of longer maturity and higher ticket instalment loans and credit line products across multiple consumer finance markets

## Financial Highlights and Progress

- Record profitability as evidenced by:
  - Record-high EBITDA—EUR 49.0 million [12M 2020: EUR 45.4 million] and adjusted<sup>2</sup> EUR 58.9 million
  - Net Profit before FX—EUR 7.5 million [12M 2020: EUR 14.3 million] and adjusted<sup>2</sup> —EUR 17.4 million
  - Net Profit after FX—EUR 8.8 million [12M 2020: EUR 1.1 million] and adjusted<sup>2</sup>—EUR 18.7 million
- Record-high portfolio—EUR 244.7 million, a EUR 15.7 million increase q-o-q; Eleving Vehicle Finance accounted for EUR 183.3 million, Eleving Consumer Finance—for EUR 61.4 million respectively
- Eleving Group's funding maturity profile extended by five more years due to successful Eurobond issuance and settlement on 18 October 2021. New secured Eurobonds were issued at par with an annual interest rate of 9.5% and maturity in 2026
- Fitch Ratings assigned a senior secured debt rating of 'B-' with a Recovery Rating of 'RR4' to Eleving Group's new Eurobonds
- Additionally Eleving Group announced an issuance and settlement of EUR 25 million subordinated bonds in order to refinance existing shareholder loans as well as further strengthen Group's capital structure.

<sup>1</sup> Flexible lease and subscription based products – motorcycle-taxi in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, new vehicle subscription in Latvia

<sup>2</sup> 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.

# Comment from Eleving Group CEO and CFO



Modestas Sudnius  
Group CEO

We began 2021 with a clear goal of keeping our strategic focus on the Group's existing markets and pursuing steady growth. In retrospect, I can conclude that not only was our strategy accomplished but also surpassed. Sustained quarter-on-quarter growth of our performance levels is the best evidence for that. Our sales, annual revenue, and EBITDA have grown by at least 50%, proving strength of the Eleving business model. Effective risk management through automated solutions, state-of-the-art IT systems, and established sales channels were the core pillars in achieving results.

While keeping our focus on the existing geographies, Eleving Group also launched a variety of new products. From subscription and rental services in the Baltics to long term credit line solutions in Moldova. The successful launch of these products shows company's ability to meet the changing customer needs and will play an important role in strengthening the Group's leading market position in the future.

Throughout the year, we recorded strong quarter-on-quarter growth in the productive lending operations in Africa. By providing local entrepreneurs with affordable access to owning a moto-taxi we have created thousands of jobs and improved the drivers' income.

During the last year, Eleving Group has laid a firm foundation for sustainable operations following ESG principles, and we are proud of the tangible results achieved across multiple social and environmental initiatives. Going forward, we aim to incorporate more and more sustainability-focused products into our business and focus on improving our non-financial reporting practices.

2021 marks the best year in Eleving Group's 9-year history since inception in 2012. The following achievements across three main areas are worthy of mention.

First, the Group's operational excellence and healthy balance sheet. Both have been forged by the Group's adjusted EBITDA of EUR 58.9 million, exceeding the previous year's result 1.6 times.

Second, in 2021, the Group refinanced all of its bond liabilities by issuing new Latvian bonds in the amount of EUR 30 million and refinancing previous Eurobonds with a new senior secured bond simultaneously raising more capital, which resulted in a new EUR 150 million Eurobond with maturity in 2026. Year 2021 was closed with the issuance of subordinated bonds worth EUR 25 million, which enjoys the equity credit from the rating agency's perspective. It is worth mentioning that the extraordinary fundraising year left a non-recurring refinancing expense of

EUR 5.7 m in the Profit and Loss statement that we consider money well spent.

Third, we have spent a considerable amount of time optimizing our balance sheet; as a result we have either divested or written off several of our rundown markets freeing up resources for the active ones. This repositioning took a one-time toll on our Profit and Loss statement in the amount of EUR 4.5 million as an extraordinary expense. We have also been successful at monetizing a number of receivables on our balance sheet ahead of time, reinvesting them in productive assets—our net loan portfolio, which now stands at EUR 244.7 million.

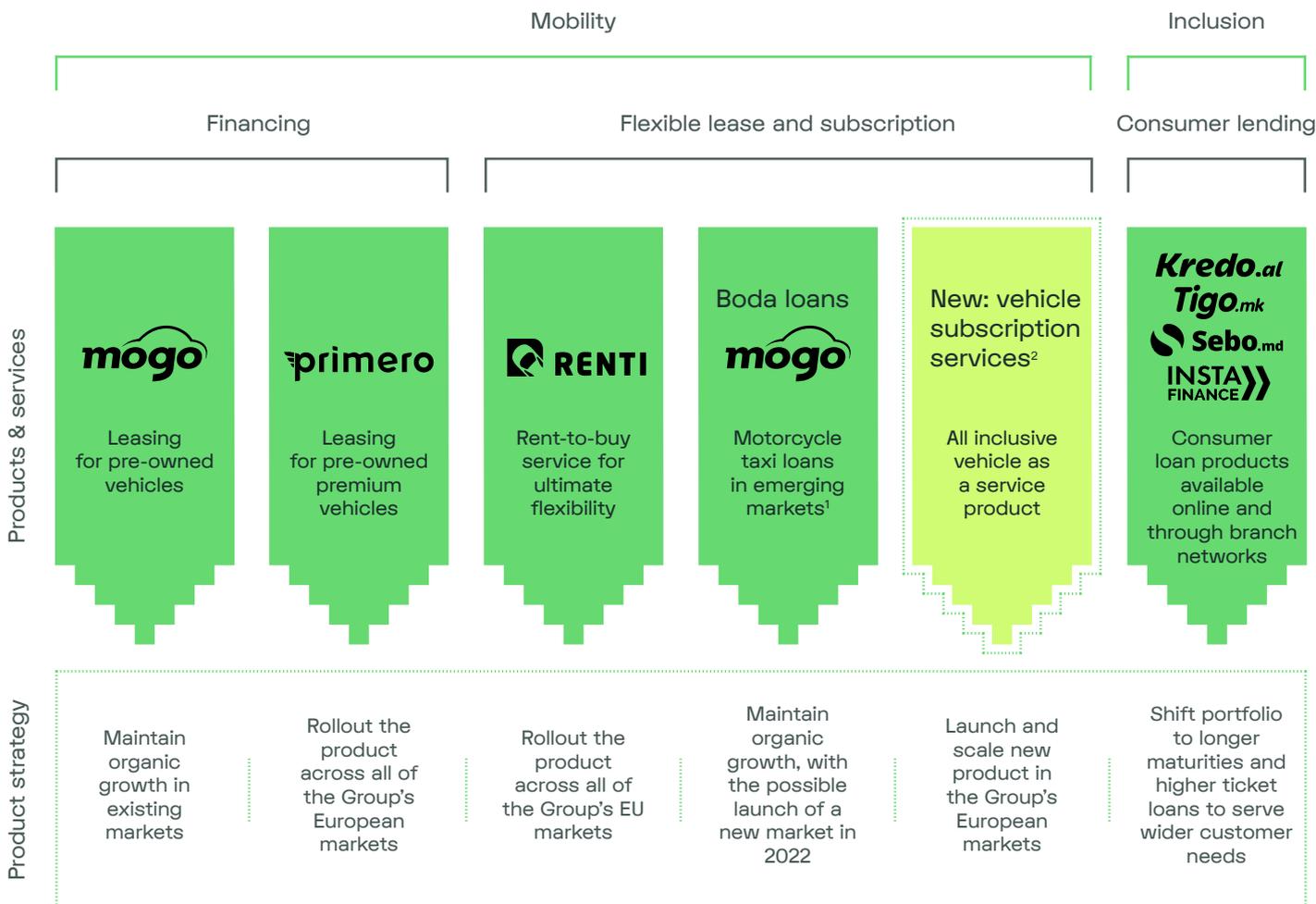
To conclude, a one-time extraordinary expense of more than EUR 10 million has not affected the profitability of the Group, which has achieved EUR 9.3 million of total comprehensive income in 2021, thus positioning itself for an operational and financial uplift in 2022.



Māris Kreics  
Group CFO

# Outlook - Products & Strategy

To become an ultimate mobility platform



## 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**



## Social impact

Implementation of **strategic ESG management system** in collaboration with the leading Baltic sustainability consultant

Development of **long-term goal system** based on stakeholders` survey and materiality analysis

Regular annual non-financial **reporting process** in place

<sup>1</sup> Kenya and Uganda

<sup>2</sup> New car subscription services launched in Latvia in 2021 Q4

# Conference call

On 15 February

Contact

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

Māris Kreics  
Chief Financial Officer [CFO]  
maris.kreics@eleving.com

[Click here to register for conference call →](#)

## 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 14 countries across 3 continents

Underserved  
markets

Vehicle  
financing

Consumer  
financing



### 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, more than 2,600 employees and 350,000 loyal customers

# 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 2020.

in EUR million	12M 2020	12M 2021	% change
Interest and similar income	83.5	135.3	62.0%
Interest expense and similar expenses	[26.1]	[28.2]	8.0%
<b>Net interest income</b>	<b>57.4</b>	<b>107.1</b>	<b>86.6%</b>
Income from used vehicle rent	6.2	6.5	4.8%
Impairment expense	[26.5]	[39.7]	49.8%
Operating expense and income	[23.5]	[60.4]	157.0%
Net foreign exchange result	[13.2]	1.3	nm
<b>Profit before tax</b>	<b>0.4</b>	<b>14.8</b>	<b>3600.0%</b>
Corporate income tax	0.7	[6.0]	nm
Net profit for the period without FX and discontinued operations	14.3	7.5	-47.6%
<b>Net profit for the period</b>	<b>1.1</b>	<b>8.8</b>	<b>700.0%</b>

## Interest, similar income and income from vehicle rental

in EUR million	12M 2020	12M 2021	% change
<b>Flexible lease and subscription based products<sup>1</sup></b>	<b>7.9</b>	<b>26.7</b>	<b>237.2%</b>
Interest and similar income	1.7	20.2	1069.0%
Rental income	6.2	6.5	4.8%
<b>Lease and leaseback products<sup>2</sup></b>	<b>67.9</b>	<b>53.3</b>	<b>-21.5%</b>
Interest and similar income	67.9	53.3	-21.5%
<b>Consumer lending products</b>	<b>13.8</b>	<b>61.8</b>	<b>346.3%</b>
Interest and similar income	13.8	61.8	346.3%
<b>Average net loan and used vehicle rent portfolio</b>	<b>197.6</b>	<b>223.2</b>	<b>12.9%</b>
<b>Average income yield on net loan and used vehicle rent portfolio</b>	<b>45.4%</b>	<b>63.5%</b>	<b>18.1 p.p.</b>

<sup>1</sup> Flexible lease and subscription based products – motorcycle-taxi in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, new vehicle subscription in Latvia

<sup>2</sup> Lease and leaseback products in Latvia, Lithuania, Estonia, Georgia, Romania, Armenia, Moldova, Belarus, Uzbekistan, Kenya and Uganda

Exceptionally strong growth in revenue from Flexible lease and subscription based products as well as revenue from Consumer lending products reflects a number of aspects:

- the growth in the average net loan and used vehicle rent portfolio by 12.9% to EUR 223.2 million [12M 2020: EUR 197.6 million];
- successful roll out of Flexible lease and subscription based products following customers' demand and;
- continuous focus on highest-yielding markets and products.

### Interest expense and similar expense

Interest expense and similar expense grew by 8.0% to EUR 28.2 million [12M 2020: EUR 26.1 million] related to the increase in total borrowings to EUR 241.7 million [31 December 2020: EUR 224.4 million].

### Income from used vehicle rent

The launch of the Mogo Finance Vehicle Portal contributed to boosting income from used vehicle rent that increased by 4.8% to EUR 6.5 million [12M 2020: EUR 6.2 million]. The total used vehicle rental fleet in Latvia stood at EUR 10.9 million [31 December 2020: EUR 14.7 million].

### Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables decreased by 43.6% to EUR 11.4 million [12M 2020: 20.2 million]. The NPL ratio [Net NPL / Total net portfolio] amounted to 5% [conservative 35+ days past due] of the net portfolio [31 December 2020: 8%], the provision coverage ratio was 93% [31 December 2020: 88%].

### Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables consolidated as of 31 December 2021 amounted to EUR 28.3 million. The NPL ratio [Net NPL / Total net portfolio] amounted to 4% [90+ days past due] of the net portfolio, the provision coverage ratio was 144%.

### Operating expense

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

in EUR million	12M 2020	12M 2021	% change
Employees' salaries	18.9	26.5	40.2%
Marketing expenses	2.8	8.2	192.9%
Office and branch maintenance expenses	1.3	2.0	53.8%
Professional services	1.9	2.6	36.8%
Amortization and depreciation	5.7	7.3	28.1%
Bonds refinancing expense	-	5.7	nm
Other operating expenses	[7]	8.1	nm
<b>Total operating expense</b>	<b>23.5</b>	<b>60.4</b>	<b>157.0%</b>

Total operating expenses at EUR 60.4 million increased by 157.0% [12M 2020: EUR 23.5 million], with main driver being acquisition of the consumer lending business. Salaries increased by 40.2% to EUR 26.5 million [12M 2020: EUR 18.9 million], comprising 43.9% of total operating expenses [12M 2020: 80.4%]. Marketing expenses with effective costs per loan issued of EUR 8 accounted for 13.6% of total operating expenses [12M 2020: 11.9%].

The Group has also incurred EUR 6.7 million of non-recurring one of expenses out of which EUR 5.7 million relate to the Eurobond refinance exercise and EUR 1.0 million to the Mogo Kosovo write off expenses.

### Profit before tax

The consolidated profit before taxes amounted to EUR 14.8 million [12M 2020: EUR 0.4 million].

### Corporate income tax

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

in EUR million	12M 2020	12M 2021	% change
Corporate income tax	[0.7]	[6.9]	885.7%
Deferred tax	1.4	0.9	-35.7%
<b>Total corporate income tax</b>	<b>0.7</b>	<b>[6.0]</b>	<b>nm</b>

### Profit for the period

The Group's net profit for the period was EUR 8.8 million [12M 2020: EUR 1.1 million].

### Alternative performance measures (non-IFRS)

in EUR million	12M 2020	12M 2021	% change
Profit for the period	1.1	8.8	700.0%
Provisions for taxes	[0.7]	6.0	nm
Interest expense	26.1	28.2	8.0%
Depreciation and amortization	5.7	7.3	28.1%
Currency exchange loss / [gain]	13.2	[1.3]	nm
<b>EBITDA</b>	<b>45.4</b>	<b>49.0</b>	<b>79%</b>
Warrant repurchase from Mezzanine Management	2.5	-	
Gain from acquisitions	[11.5]	-	
(Gain)/Loss from subsidiary sale	[2.3]	1.0	
Amortization of acquisitions' fair value gain	3.4	3.2	
Bonds refinancing expense	-	5.7	
<b>Adjusted EBITDA</b>	<b>37.5</b>	<b>58.9</b>	<b>57.0%</b>

## Condensed consolidated balance sheet

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

Assets [in EUR million]	31 Dec. 2020	31 Dec. 2021
Intangible assets	14.8	14.4
Tangible assets	10.0	11.9
Loans and lease receivables and rental fleet	201.7	244.7
Deferred tax asset	2.9	3.0
Inventories	1.6	3.7
Non-current assets held for sale	2.1	1.9
Other receivables	17.1	15.2
Assets of subsidiary held for sale	9.4	14.2
Receivables as a result of sale of subsidiaries to related parties	9.4	2.3
Receivables as a result of sale of subsidiaries to third parties	1.5	1.1
Cash and cash equivalents	9.3	9.8
<b>Total assets</b>	<b>279.8</b>	<b>322.2</b>

Equity and liabilities [in EUR million]	31 Dec. 2020	31 Dec. 2021
Share capital and reserves	1.3	1.5
Foreign currency translation reserve	[2.3]	[0.5]
Retained earnings	23.0	28.5
Non-controlling interests	0.3	1.4
Subordinated debt	12.1	17.3
<b>Total equity</b>	<b>34.4</b>	<b>48.2</b>
Borrowings	224.4	241.7
Other liabilities	21.0	32.3
<b>Total liabilities</b>	<b>245.4</b>	<b>274.0</b>
<b>Total equity and liabilities</b>	<b>279.8</b>	<b>322.2</b>

### Assets

Total assets of the Group increased by 15.2% to EUR 322.2 million [31 December 2020: EUR 279.8 million], reflecting an increase in the net loan and used vehicle rent portfolio.

### Tangible assets

Tangible assets increased by 19.0% to EUR 11.9 million [31 December 2020: EUR 10.0 million].

## Net loan and used vehicle rent portfolio

The net loan and used vehicle rental portfolio increased by 21.3% to EUR 244.7 million [31 December 2020: EUR 201.7 million].

### Net loan and used vehicle rent portfolio

in EUR million	31 Dec. 2020	Total share [in %]	31 Dec. 2021	Total share [in %]
Developed countries <sup>1</sup>	131.7	65.3%	123.5	50.6%
Developing countries <sup>2</sup>	22.2	11.0%	59.8	24.4%
Consumer loan markets	38.6	19.1%	61.4	25.0%
<b>Total net loan and used vehicle rent portfolio</b>	<b>201.7</b>	<b>100.0%</b>	<b>244.7</b>	<b>100.0%</b>

<sup>1</sup> Developed countries are Latvia (including used vehicle rent portfolio), Lithuania, Estonia, Belarus, Romania, Moldova, Georgia and Armenia

<sup>2</sup> Developing countries are Uzbekistan, Kenya and Uganda

### Net loan portfolio split by product type

in EUR million	31 Dec. 2020	Total share [in %]	31 Dec. 2021	Total share [in %]
Flexible lease and subscription based products <sup>3</sup>	21.9	10.9%	50.1	20.5%
Traditional lease and leaseback products <sup>4</sup>	141.2	70.0%	133.2	54.4%
Consumer lending products	38.6	19.1%	61.4	25.1%
<b>Total net loan portfolio split by product type</b>	<b>201.7</b>	<b>100.0%</b>	<b>244.7</b>	<b>100.0%</b>

<sup>3</sup> Flexible lease and subscription based products – motorcycle-taxi in Kenya and Uganda, used vehicle rent in Latvia and Lithuania

<sup>4</sup> Lease and leaseback products in Latvia, Lithuania, Estonia, Georgia, Romania, Armenia, Moldova, Belarus, Uzbekistan, Kenya and Uganda

During 2021 the Group has followed through on portfolio optimization plans set out in 2020 and has fully divested Mogo operations in Bulgaria, North Macedonia, Kazakhstan, with Mogo Albania pending regulatory approval of the sale.

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

The Group is also capitalizing on recent consumer trends and gradually rolling out Flexible lease and subscription based products that comprise 20.5% from the total Net loan portfolio as at 31 December 2021.

The consumer loans portfolio stood at 25.1% from total Net loan portfolio, which is in line with Group's long term strategy regarding its Net loan portfolio composition.

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

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

in EUR million	31 Dec. 2020	Total share [in %]	31 Dec. 2021	Total share [in %]
STAGE 1 <sup>1</sup>	122.4	82.4%	149.8	86.9%
STAGE 2 <sup>2</sup>	14.1	9.5%	14.9	8.6%
STAGE 3 <sup>3</sup>	12.0	8.1%	7.7	4.5%
<b>Total net loan portfolio</b>	<b>148.5</b>	<b>100%</b>	<b>172.4</b>	<b>100%</b>
Used vehicle rent	14.7	9.0%	10.9	5.9%
<b>Total net loan and used vehicle rent portfolio</b>	<b>163.2</b>		<b>183.3</b>	
<b>Net NPL ratio<sup>4</sup></b>	<b>8%</b>		<b>5%</b>	
<b>Impairment coverage ratio<sup>5</sup></b>	<b>88%</b>		<b>93%</b>	

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Net NPL [35+ days overdue] / Total net portfolio

<sup>5</sup> Total impairment / Gross NPL [35+ days overdue]

NPLs in the net loan portfolio decreased to 4.5% of the total net portfolio [31 December 2020: 8.1%].

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

#### Net consumer loan portfolio

in EUR million	31 Dec. 2020	Total share [in %]	31 Dec. 2021	Total share [in %]
STAGE 1 <sup>1</sup>	34.9	90.4%	57.6	93.8%
STAGE 2 <sup>2</sup>	0.6	1.6%	1.4	2.3%
STAGE 3 <sup>3</sup>	3.1	8.0%	2.4	3.9%
<b>Total net loan portfolio</b>	<b>38.6</b>	<b>100%</b>	<b>61.4</b>	<b>100%</b>
<b>Net NPL ratio<sup>4</sup></b>	<b>8%</b>		<b>4%</b>	
<b>Impairment coverage ratio<sup>5</sup></b>	<b>133%</b>		<b>144%</b>	

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Net NPL (90+ days overdue) / Total net portfolio

<sup>5</sup> Total impairment / Gross NPL (90+ days overdue)

#### Equity

Total equity increased by 40.1% to EUR 48.2 million [31 December 2020: EUR 34.4 million]. The capitalization ratio ended up at 20.6% [31 December 2020: 18.4%], providing good headroom for Eurobond covenants.

#### Liabilities

Total liabilities stood at EUR 274.0 million [31 December 2020: EUR 245.4 million].

#### Loans and borrowings

The following table sets out loans and borrowings by type.

in EUR million	31 Dec. 2020	31 Dec. 2021
Loans from banks	12.7	7.6
Latvian Bonds	24.1	29.5
Eurobonds (excl. accrued interest)	96.2	142.2
Bonds acquisition costs and accrued interest	1.8	[2.3]
Financing received from P2P investors	87.8	62.3
Loans from other parties	1.8	2.4
<b>Total loans and borrowings</b>	<b>224.4</b>	<b>241.7</b>

**Latvian bonds**

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

**Eurobonds**

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

**Subordinated bonds**

On 29 December 2021, Eleving Group successfully issued a 10-year subordinated convertible bond [XS2427362491], at par with an annual interest rate of 12% + 6 month Euribor and total amount of EUR 25 million. The bond will mature in December 2031. The subordinated bond enjoys full equity credit from Fitch rating agency’s perspective.

**Off-balance sheet arrangements**

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

## Condensed consolidated statement of cash flow

in EUR million	12M 2020	12M 2021
<b>Profit before tax</b>	<b>0.9</b>	<b>13.5</b>
<b>Net cash flows to/from operating activities</b>	<b>13.8</b>	<b>[25.3]</b>
<b>Net cash flows to/from investing activities</b>	<b>[9.3]</b>	<b>9.2</b>
<b>Net cash flows to/from financing activities</b>	<b>[3.8]</b>	<b>16.6</b>
<b>Change in cash</b>	<b>0.7</b>	<b>0.5</b>
Cash at the beginning of the year	8.6	9.3
<b>Cash at the end of the year</b>	<b>9.3</b>	<b>9.8</b>

Net cash outflow from operating activities amounted to EUR [25.3] million [12M 2020: cash inflow EUR 13.8 million]. The Group's net cash inflow from investing activities totalled EUR 9.2 million [12M 2020: cash outflow EUR [9.3] million].

## Eurobond covenant ratios

Capitalization	31 Dec. 2020	31 Dec. 2021	Change [in % p.]
Equity/Net loan portfolio	18.4%	20.6%	2.2
Profitability	31 Dec. 2020	31 Dec. 2021	Change [in %]
Interest coverage ratio [ICR]	1.6	2.4	54%
Leverage	31 Dec. 2020	31 Dec. 2021	Change [in %]
Net leverage	5.7	3.9	-31%

## Net loan and used vehicle rent portfolio

in EUR mln	31 Dec. 2020	Total share [in %]	31 Dec. 2021	Total share [in %]
Armenia <sup>1</sup>	10.0	6.1%	9.9	5.4%
Belarus <sup>1</sup>	15.3	9.4%	19.3	10.5%
Estonia <sup>1</sup>	12.9	7.9%	-	0.0%
Georgia <sup>1</sup>	11.9	7.3%	14.1	7.7%
Kenya <sup>2</sup>	12.8	7.8%	39.9	21.8%
Latvia <sup>1</sup>	26.6	16.3%	16.6	9.1%
Lithuania <sup>1</sup>	27.0	16.6%	25.6	14.0%
Moldova <sup>1</sup>	11.2	6.9%	14.1	7.7%
Romania <sup>1</sup>	16.8	10.3%	23.9	13.0%
Uganda <sup>2</sup>	5.1	3.1%	13.4	7.3%
Uzbekistan <sup>2</sup>	4.3	2.6%	6.5	3.5%
Countries on hold <sup>3</sup>	9.2	5.6%	-	0.0%
<b>Total vehicle lease and rent</b>	<b>163.1</b>	<b>100%</b>	<b>183.3</b>	<b>100%</b>
Consumer loan markets	38.6	23.7%	61.4	25.1%
<b>Total</b>	<b>201.7</b>		<b>244.7</b>	

<sup>1</sup> Developed countries are Latvia [including used vehicle rent portfolio], Lithuania, Estonia, Georgia, Romania, Moldova, Belarus and Armenia

<sup>2</sup> Developing countries are Uzbekistan, Kenya and Uganda

<sup>3</sup> Countries on hold are Bosnia and Herzegovina and Poland

# Recent developments

## **No Regulatory Changes**

There are no material regulatory changes taken place since 31 December 2021.

## **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 2021 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. 2020	31 Dec. 2021
Goodwill	6.6	4.2
Internally generated intangible assets	5.9	7.8
Other intangible assets	2.3	2.4
Loans and lease receivables and rental fleet	201.7	244.7
Right-of-use assets	7.5	8.8
Property, plant and equipment	2.1	2.5
Leasehold improvements	0.4	0.6
Receivables as a result of sale of subsidiaries to related parties	9.4	2.3
Receivables as a result of sale of subsidiaries to third parties	1.5	1.1
Loans to related parties	5.2	4.1
Other financial assets	2.7	1.7
Deferred tax asset	2.9	3.0
Inventories	1.6	3.7
Prepaid expense	1.9	1.7
Trade receivables	0.5	0.4
Other receivables	6.8	7.3
Assets of subsidiary held for sale	9.4	14.2
Assets held for sale	2.1	1.9
Cash and cash equivalents	9.3	9.8
<b>Total assets</b>	<b>279.8</b>	<b>322.2</b>

**Consolidated Statement of Financial Position – Equity and liabilities**

in EUR million	31 Dec. 2020	31 Dec. 2021
<b>Equity</b>		
Share capital	1.0	1.0
Retained earnings	23.0	28.5
Foreign currency translation reserve	[2.3]	[0.5]
Reserve	0.3	0.5
<b>Total equity attributable to owners of the Company</b>	<b>22.0</b>	<b>29.5</b>
Non-controlling interests	0.3	1.4
Subordinated debt	12.1	17.3
<b>Total equity</b>	<b>34.4</b>	<b>48.2</b>
<b>Liabilities</b>		
Borrowings	224.4	241.7
Provisions	0.4	0.1
Prepayments and other payments received from customers	0.5	0.5
Trade payables	1.3	2.7
Corporate income tax payable	0.8	4.6
Taxes payable	2.0	3.4
Other liabilities	8.6	9.7
Liabilities of subsidiary held for sale	3.9	7.1
Accrued liabilities	3.3	4.1
Other financial liabilities	0.2	0.1
<b>Total liabilities</b>	<b>245.4</b>	<b>274.0</b>
<b>Total equity and liabilities</b>	<b>279.8</b>	<b>322.2</b>

**Consolidated Income Statement**

in EUR million	12M 2020	12M 2021
Interest revenue calculated using the effective interest method	83.5	135.3
Interest expense calculated using the effective interest method	[26.1]	[28.2]
<b>Net interest income</b>	<b>57.4</b>	<b>107.1</b>
Fee and commission income	5.1	7.2
Revenue from rent	6.2	6.5
<b>Total net revenue</b>	<b>68.7</b>	<b>120.8</b>
Impairment expense	[26.5]	[39.7]
Expenses related to peer-to-peer platform services	[1.0]	[1.0]
Selling expense	[2.8]	[8.2]
Administrative expense	[34.0]	[50.9]
Bonds refinancing expense	-	[5.7]
Other operating [expense] / income	9.2	[1.8]
Net foreign exchange result	[13.2]	1.3
<b>Profit before tax</b>	<b>0.4</b>	<b>14.8</b>
Corporate income tax	[0.7]	[6.9]
Deferred corporate income tax	1.4	0.9
<b>Net profit for the period</b>	<b>1.1</b>	<b>8.8</b>
Discontinued operations	0.5	[1.3]
Translation of financial information of foreign operations to presentation currency	[1.5]	1.8
Total comprehensive income for the period without FX	<b>14.8</b>	<b>6.2</b>
<b>Total comprehensive income for the period</b>	<b>0.1</b>	<b>9.3</b>

**Consolidated statement of cash flow**

in EUR million	12M 2020	12M 2021
<b>Cash flows to/from operating activities</b>		
Profit before tax	0.9	13.5
Adjustments for:		
Amortisation and depreciation	5.7	7.3
Interest expense	26.1	28.2
Interest income	[83.5]	[135.3]
Loss on disposal of property, plant and equipment	1.4	1.3
Impairment expense	26.5	39.7
Negative goodwill	[11.5]	-
Loss from fluctuations of currency exchange rates	11.7	0.5
<b>Operating profit before working capital changes</b>	<b>[22.7]</b>	<b>[44.8]</b>
(Increase)/decrease in inventories	[1.0]	[2.1]
(Increase)/decrease in receivables	[24.6]	[89.2]
Increase/(decrease) in trade payable, taxes payable and other liabilities	2.4	4.5
<b>Cash generated to/from operating activities</b>	<b>[45.9]</b>	<b>[131.6]</b>
Interest received	83.3	135.3
Interest paid	[22.6]	[25.3]
Corporate income tax paid	[1.0]	[3.7]
<b>Net cash flows to/from operating activities</b>	<b>13.8</b>	<b>[25.3]</b>
<b>Cash flows to/from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	[4.0]	[5.9]
Purchase of rental fleet	[9.0]	[3.5]
Loan repayments received	3.3	18.7
Investments in subsidiaries	[4.1]	-
Disposal of discontinued operation, net of cash disposed of	[0.3]	-
Received payments for sale of shares in subsidiaries	5.3	-
Payments for acquisition of non-controlling interests	[0.1]	-
Loans issued	[0.4]	[0.1]
<b>Net cash flows to/from investing activities</b>	<b>[9.3]</b>	<b>9.2</b>
<b>Cash flows to/from financing activities</b>		
Proceeds from borrowings	212.8	537.5
Repayments for borrowings	[216.6]	[520.6]
Dividends paid	-	[0.3]
<b>Net cash flows to/from financing activities</b>	<b>[3.8]</b>	<b>16.6</b>
<b>Change in cash</b>	<b>0.7</b>	<b>0.5</b>
Cash at the beginning of the year	8.6	9.3
<b>Cash at the end of the year</b>	<b>9.3</b>	<b>9.8</b>

# Latvian operations only

## Condensed financial information of AS “mogo” [consolidated]

### Consolidated Income Statement [AS “mogo” [consolidated]]

in EUR million	12M 2020	12M 2021
Interest revenue calculated using the effective interest method	8.1	7.7
Interest expense calculated using the effective interest method	[3.5]	[4.5]
<b>Net interest income</b>	<b>4.6</b>	<b>3.2</b>
Fee and commission income	0.4	0.4
Revenue from rent	4.4	6.5
<b>Total net revenue</b>	<b>9.4</b>	<b>10.1</b>
Impairment expense	[2.6]	0.4
Expenses related to peer-to-peer platforms services	[0.1]	[0.1]
Selling expense	[0.1]	[0.2]
Administrative expense	[4.2]	[5.9]
Other operating [expense] / income	1.5	[0.9]
<b>Profit before tax</b>	<b>3.9</b>	<b>3.4</b>
Corporate income tax	-	-
Deferred corporate income tax	-	-
<b>Net profit for the period</b>	<b>3.9</b>	<b>3.4</b>

**Consolidated Statement of Financial Position – Assets, Equity and Liabilities [AS “mogo” (consolidated)]**

in EUR million	31 Dec. 2020	31 Dec. 2021
<b>Assets</b>		
Loans and lease receivables and rental fleet	26.2	16.8
Loans to Mogo Finance S.A.	28.5	35.6
Property, plant and equipment	1.3	0.8
Receivables from group companies	1.4	0.9
Non-current assets held for sale	0.1	-
Other receivables	0.7	0.7
Prepaid expense	0.1	0.1
Cash and cash equivalents	0.2	0.4
<b>Total assets</b>	<b>58.5</b>	<b>55.3</b>
<b>Equity</b>		
Share capital	5.0	0.4
Other reserves	[4.0]	[11.5]
Retained earnings		
brought forward	7.7	13.3
for the period	5.8	3.4
<b>Total equity</b>	<b>14.5</b>	<b>5.6</b>
<b>Liabilities</b>		
Borrowings	40.8	37.8
Other provisions	2.4	10.8
Trade payables	0.1	0.1
Payables to related companies	0.3	0.4
Taxes payable	0.1	0.1
Accrued liabilities	0.3	0.4
<b>Total liabilities</b>	<b>44.0</b>	<b>49.7</b>
<b>Total equity and liabilities</b>	<b>58.5</b>	<b>55.3</b>

# Important information

The information contained herein is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or any other countries or otherwise in such circumstances in which the release, publication or distribution would be unlawful. The information contained herein does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Persons into whose possession this announcement may come are required to inform themselves of and observe all such restrictions.

This announcement does not constitute an offer of securities for sale in the United States. The bonds have not been and will not be registered under the Securities Act or under the applicable securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This announcement does not constitute a prospectus for the purposes of Directive 2003/71/EC, as amended [the “Prospectus Directive”] and does not constitute a public offer of securities in any member state of the European Economic Area [the “EEA”]. This announcement does not constitute an offer of bonds to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the bonds. Accordingly, this announcement is not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of this announcement as a financial promotion may only be distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19[5] of the Financial Services and Markets Act 2000 [Financial Promotion] Order 2005 [the “Order”] or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49[2][a] to [d] of the Order [all such persons in (i), (ii) and (iii) above together being referred to as “Relevant Persons”]. Any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents.

**PROFESSIONAL INVESTORS ONLY** – Manufacturer target market [MIFID II product governance] is eligible counterparties and professional clients only [all distribution channels]. No PRIIPs key information document [KID] has been prepared as the bonds do not constitute packaged products and will be offered to eligible counterparties and professional clients only.

# Glossary

## 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

**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

**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

**DPD**—days past due

**Flexible lease and subscription-based products**—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

## Market definitions

**Developed markets:** markets where the Group has operated for more than 3 years, with already substantial net portfolios [more than EUR 7 million]. Those being: Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova, Belarus

**Emerging markets:** markets where the Group has operated for less than 3 years, and portfolios are in their early growth stage. Those being: Kenya, Uganda, Uzbekistan

**On-hold markets:** markets where the Group has stopped or limited its issuances to minimum with the goal to exit some markets. Those being: Poland, Bosnia and Herzegovina

**Consumer finance markets:** markets where the Group offers consumer loans only. Those being: Albania, North Macedonia, Moldova, Ukraine

Eleving<sup>GROUP</sup>

52 Skanstes Street  
Riga, Latvia, LV-1013