Earnings Call Presentation

9 months 2022

November 2022

Eleving GROUP

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Presenters

Modestas Sudnius

Chief Executive Officer

- With Eleving Group since 2013, part of the Group's management team as CEO since November 2018
- Started as a country manager for Lithuania, where established successful operations. In January 2018, promoted to regional CEO for the Group's core markets in Latvia, Lithuania, Estonia, Georgia, and Armenia
- Prior to Eleving Group, worked for international companies, such as EY, EPS LT, UAB
- A graduate of the ISM University of Management and Economics in Vilnius and a Master's Degree holder from the Stockholm School of Economics

Maris Kreics

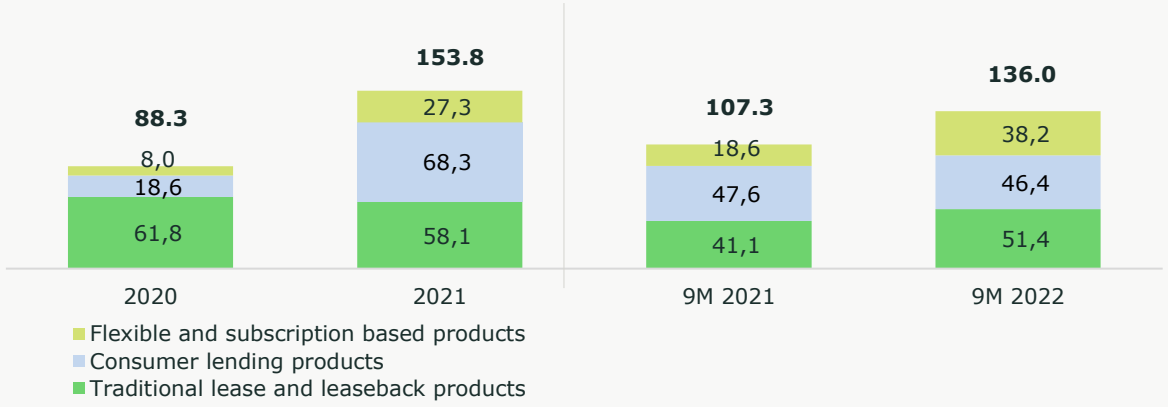
Chief Financial Officer

- With Eleving Group since 2015
- Before joining Eleving Group, spent two years in a corporate finance role with Tet (formerly, Lattelecom), the largest telecommunication services company in Latvia. Previously, spent seven years at PwC, including two years in its New York office, working exclusively on one of the largest S&P 500 Tech company's lead audit teams responsible for managing other audit teams globally
- Holds a Master's Degree in Finance from the BA School of Business and Finance in Riga
- A CFA charterholder and a member of ACCA since 2011 (fellow since 2016)

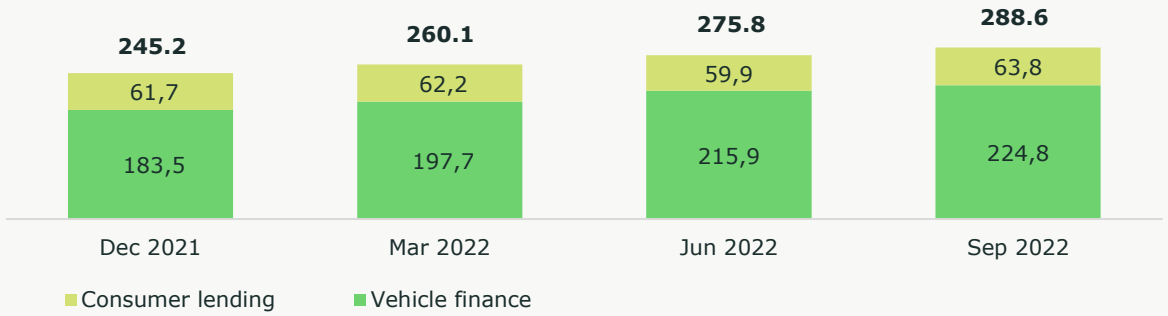
Operational highlights

Improving operational and financial performance

Revenue, mln EUR[1]



Net portfolio, mln EUR



Substantial increase in key performance indicators during the period:

- Revenue up by 26.8% compared to 9M 2021 to EUR 136.0 mln;
- Stable QOQ portfolio growth of 4.6% (EUR 12.8 mln) to EUR 288.6 mln.

Continuous diversification of business, and a balanced revenue stream from all three core business lines:

- flexible lease and subscription-based products[2] revenue up by 109.5% compared to 9M 2021 and 7.7% QOQ, driven by continues growth in motorcycle-taxi financing in Kenya and Uganda;
- lease and leaseback product revenue increased by 24.6% compared to 9M 2021 and 5.6% QOQ, mainly driven by successful portfolio growth in Romania and Georgia;
- consumer lending product revenue increased by 2.8% compared to 9M 2021 but decreased by 3.0% QOQ, mainly as a result of portfolio run-down in Ukraine. Meanwhile, other consumer markets demonstrated steady performance.

Tightened underwriting policy has been introduced throughout the Group, given the economic uncertainty worldwide. As a result, vehicle segment's conversion rate has decreased from 16.9% in Q2 to 14.4% in Q3 as well as the average ticket size has dropped from EUR 2.2k in Q2 to EUR 1.9k in Q3.

Customer payment discipline has remained stable across both segments with net NPL ratio of 6.3% in vehicle finance and 5.6% in consumer finance, representing a 0.1p.p. increase QOQ for each segment.

During Q2, Eleving Group continued its course towards more sustainable future and have achieved several milestones in line with its ESG strategic objectives. To name a few, Eleving Group has introduced a new CO2 intensity metric for vehicles listed on its platforms, thus educating customers on vehicle adverse effects on environment as well as the Group has signed the Mission Zero Charter aiming to reduce workplace related injury risks.

1. Adjusted with fair value gain on acquisition of portfolio in 2020 in the amount of EUR 3.4 mln and subsequent amortization of portfolio gain in 2021 and 9M 2021 in the amount of EUR 3.2 mln and EUR 2.5 mln, respectively.

2. Flexible lease and subscription-based products – motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, and new vehicle subscription in Latvia and Estonia.

Eleving Group's product universe

Accessible financing through traditional online and offline consumer loan products.

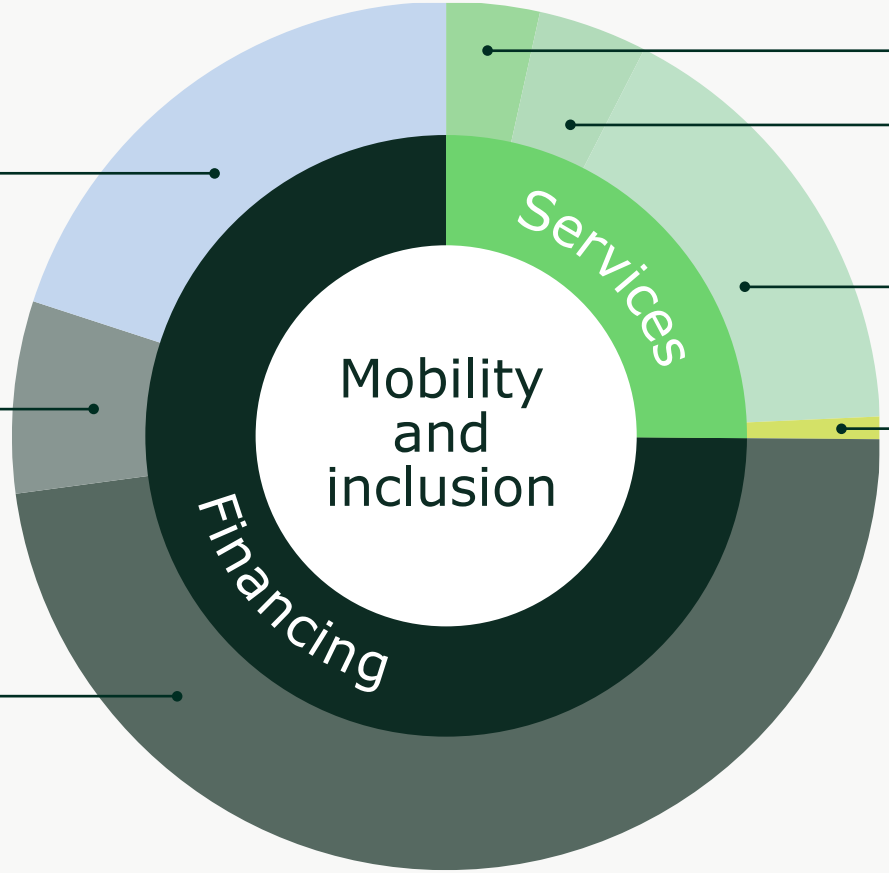
Kredo.al
Sebo.md
Tigo.mk

Flexible premium car leasing for those interested in the highest quality vehicles.

primero

Easily accessible and affordable mobility product for customers in underserved market segments.

mogo



RENTI

A rent-to-buy product designed with ultimate flexibility in mind.

Renti plus

Subscription-based product of brand-new cars for clients searching for immediate mobility solutions.

mogo
Boda loans

A solution to self-employed who use mobility as a source of income for providing for their families.

OX
NEW

Group's latest product launched in July 2022 – Tesla based car-sharing experience in Riga region, Latvia.

Financing products include traditional lease and leaseback products as well as consumer financing products that accounted for **74% of the Group's total net portfolio** as at September 2022.

Services products include flexible lease and subscription-based products that accounted for **26% of the Group's total net portfolio** as at September 2022.

A Way Way Up

Eleving Group mission

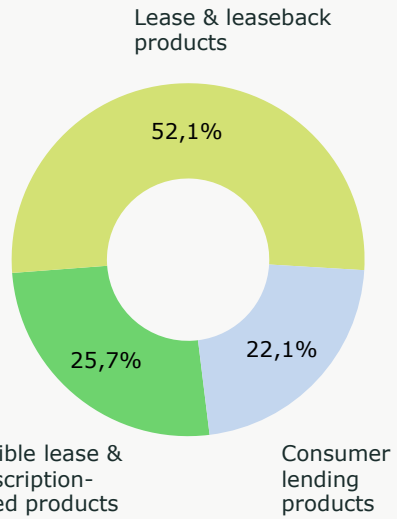
To enable upward social mobility in diverse communities around the world by creating access to innovative and sustainable financial solutions

Global scope

Multi-geography platform that eliminates a single-market risk

Portfolio balance[1]

as per September 2022



Vehicle Finance[2]

Latvia (LV)
Population[3]: 1.9 mln
Passenger vehicles[4]: 0.66 mln
Operations launched: y2012
Share of portfolio: 4.4% (9.7%[1])

Lithuania (LT)
Population: 2.8 mln
Passenger vehicles: 1.26 mln
Operations launched: y2013
Share of portfolio: 8.8%

Estonia (EE)
Population: 1.3 mln
Passenger vehicles: 0.79 mln
Operations launched: y2013
Share of portfolio: 4.0% (asset held for sale, EUR 12.1 mln)

Georgia (GE)
Population: 3.7 mln
Passenger vehicles: 1.01 mln
Operations launched: y2014
Share of portfolio: 5.7%

Romania (RO)
Population: 19.2 mln
Passenger vehicles: 6.90 mln
Operations launched: y2016
Share of portfolio: 9.6%

Armenia (AM)
Population: 2.9 mln
Passenger vehicles: n.a.
Operations launched: y2017
Share of portfolio: 4.3%

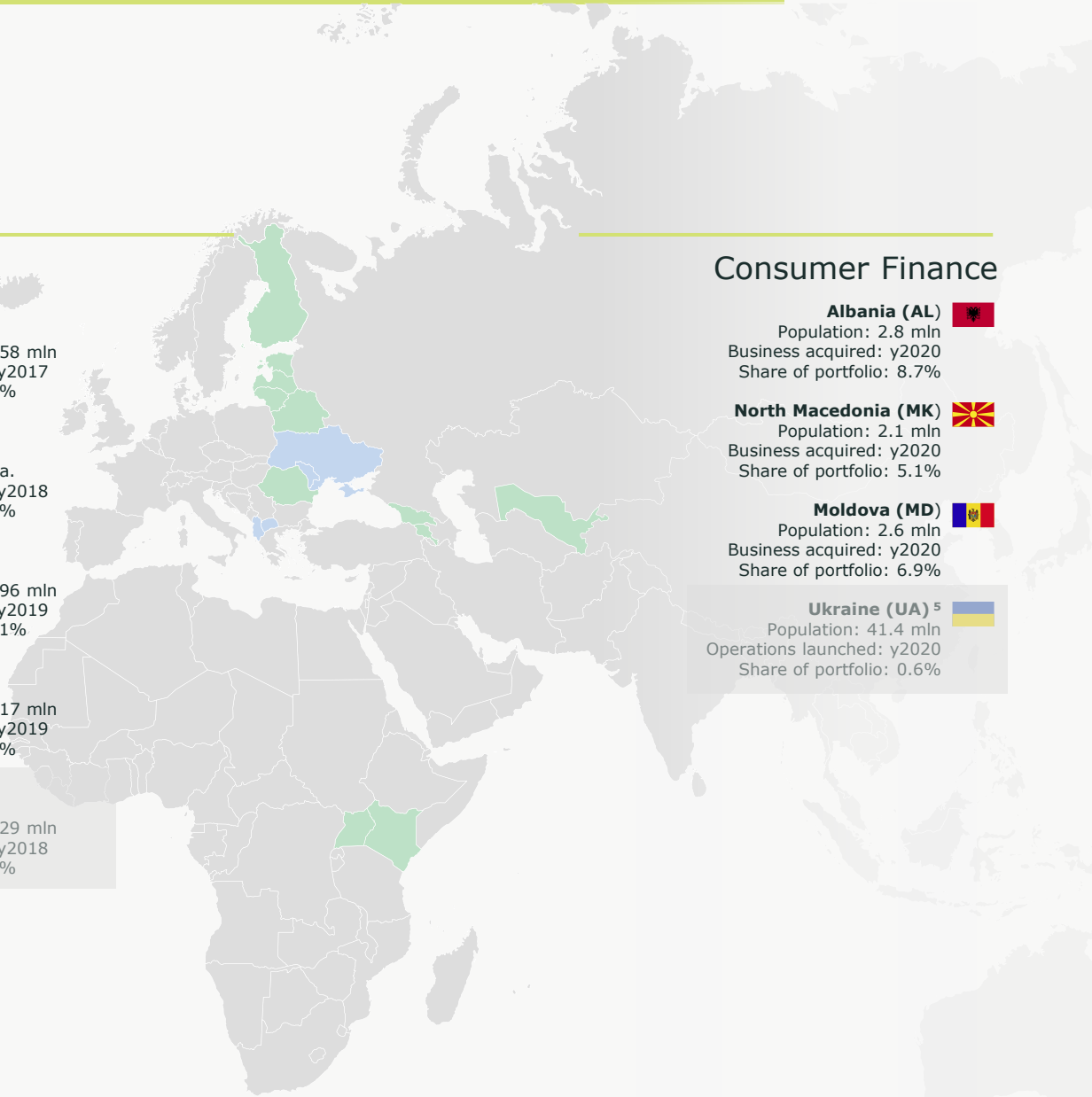
Moldova (MD)
Population: 2.6 mln
Passenger vehicles: 0.58 mln
Operations launched: y2017
Share of portfolio: 5.3%

Uzbekistan (UZ)
Population: 34.2 mln
Passenger vehicles: n.a.
Operations launched: y2018
Share of portfolio: 2.9%

Kenya (KE)
Population: 53.8 mln
Passenger vehicles: 0.96 mln
Operations launched: y2019
Share of portfolio: 20.1%

Uganda (UG)
Population: 45.7 mln
Passenger vehicles: 0.17 mln
Operations launched: y2019
Share of portfolio: 7.6%

Belarus (BY) [5]
Population: 9.4 mln
Passenger vehicles: 3.29 mln
Operations launched: y2018
Share of portfolio: 6.1%



Consumer Finance

Albania (AL)
Population: 2.8 mln
Business acquired: y2020
Share of portfolio: 8.7%

North Macedonia (MK)
Population: 2.1 mln
Business acquired: y2020
Share of portfolio: 5.1%

Moldova (MD)
Population: 2.6 mln
Business acquired: y2020
Share of portfolio: 6.9%

Ukraine (UA) [5]
Population: 41.4 mln
Operations launched: y2020
Share of portfolio: 0.6%

Vehicle Finance (Lease, leaseback + flexible lease and subscription)

Consumer Finance

1. Including Primero product portfolio in total portfolio balance
2. Finland on pause, with license acquired in Q2 2022
3. Population data source: Eurostat and World bank
4. Passenger vehicle data source: ACEA VEHICLES IN USE REPORT and Nation Master
5. Run down of UA portfolio until year end; Issuances halted in BY with aim to decrease exposure

Non-financial KPIs

Leveraging data to provide up-to-date products to customers and highest returns to shareholders

Vehicle Finance, Q3 2022

15.9k ↓(4.7k)
Vehicles financed
7.6k Cars vs
8.3K Motorcycles

14.4% ↓(2.5 p.p.)
Conversion rate
8.3% Cars vs
43.2% Motorcycles

4.6 mln ↓(0.1 mln)
Interactions with clients

5.1k ↑(0.2k)
Dealer partnerships

106.1k ↓(11.9k)
Applications received
87.5k Cars vs
18.6k Motorcycles

1.9k ↓(0.3k)
Avg ticket size (EUR)
4.7k Cars vs
1.0k Motorcycles

0.1k
Green vehicles financed

0.9k ↑(0.2k)
Bio-gas vehicles financed

Consumer Finance, Q3 2022[2]

67.1k ↓(7.0k)
Loans issued

41.9% ↑(0.6 p.p.)
Conversion rate

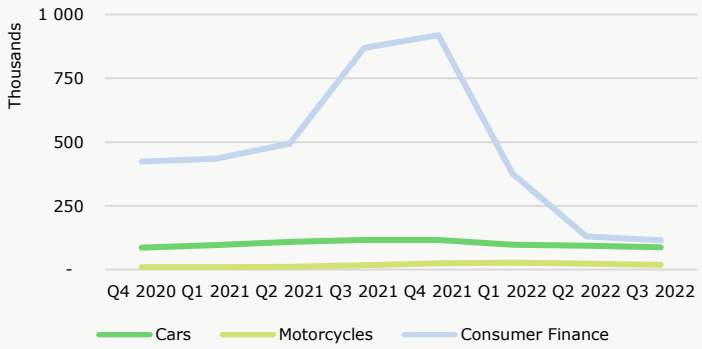
115.3k ↓(14.4k)
Applications received

0.4k
Avg ticket size (EUR)

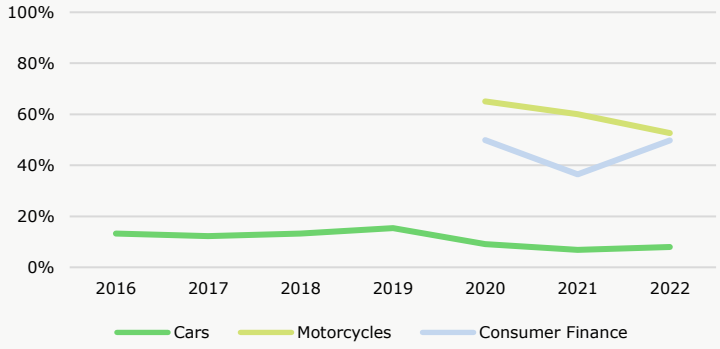
5.8 mln ↑(0.3 mln)
Interactions with clients

↑↓ - *change QOQ*

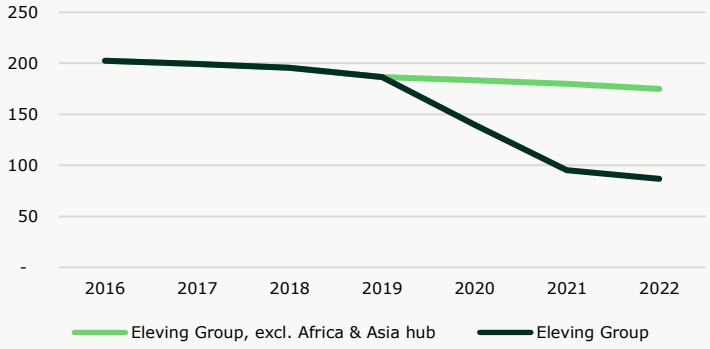
Applications received



Conversion rate



Average CO2 emissions of portfolio by loan issued date[1], g per 100km

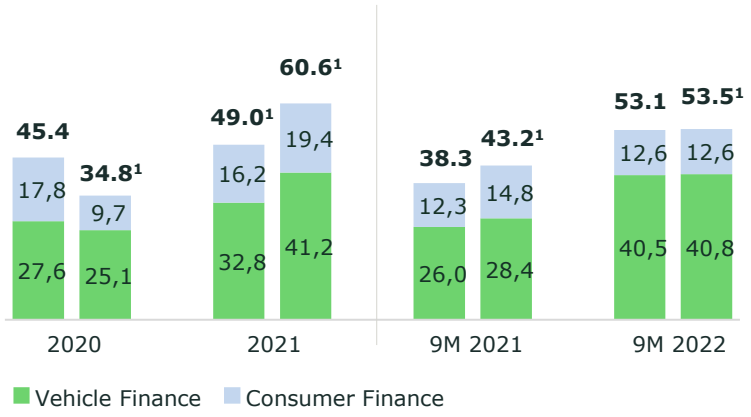


1. To assess the current climate impact of the Group's portfolio, a CO2 calculation methodology was developed internally in 2022. After exploring different approaches and available data sources, it was decided to use the database of the Road Traffic Safety Directorate of Latvia (hereinafter CSDD (Latvian abbreviation)). The database was compared with the European Environment Agency's (EEA) CO2 emissions for new passenger cars, and the results were very similar. Since the CSDD database covers the period of 2004–2020 as opposed to EEA's 2010+, it was decided that the CSDD database will provide better coverage. In the CSDD database for 2004-2020, the New European Driving Cycle (NEDC) method was used but starting from 2021-2022, the method was changed to the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) developed by the European Union. Since the WLTP method gives slightly higher CO2 emission results, the impact of methodology change should be estimated before it can be used in calculations. For 254 loans (0.8% of loans excluding boda boda), CO2 emission data from 2020 are used. The CSDD database contains data on vehicle fuel type, year, engine capacity, transmission type, brand, and model. Since the data level of detail on Eleving Group's side did not correspond that of CSDD and in order to avoid manual monitoring of all current entries in the Group's database, it was decided to group the data by vehicle year, fuel type, and engine capacity. For each vehicle matching the group, the average CO2 consumption from the CSDD database was used. For vehicles that did not match the group (e.g., boda bodas, electric cars and cars manufactured before 2004), exception rules were created.
2. Consumer Finance data excludes Ukraine.

Financial highlights

Solid profitability driven by robust loan issuances and consistent financial performance

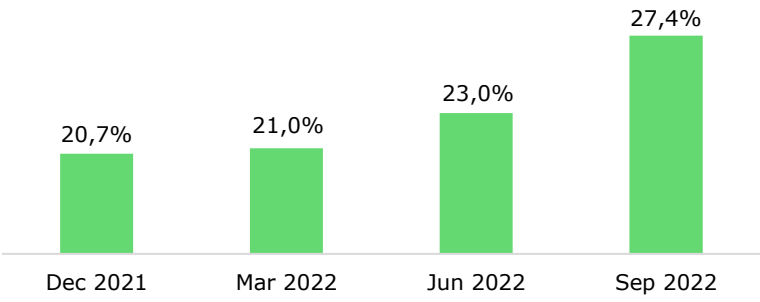
EBITDA and adjusted EBITDA, mln EUR



Solid profitability as evidenced by:

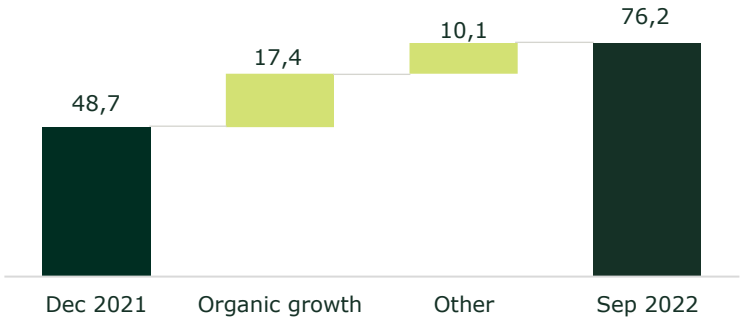
- Adjusted EBITDA of EUR 53.5 mln (9M 2021: EUR 43.2 mln)
- Adjusted Net Profit before FX of EUR 17.7 mln (9M 2021: EUR 12.1 mln)
- Adjusted Net Profit after FX of EUR 18.2 mln (9M 2021: EUR 12.6 mln)

Capitalization ratio



The Group's equity has reached EUR 76.2 mln with capitalization ratio at 27.4% providing an adequate and stable headroom for Eurobond covenants.

Equity development, mln EUR



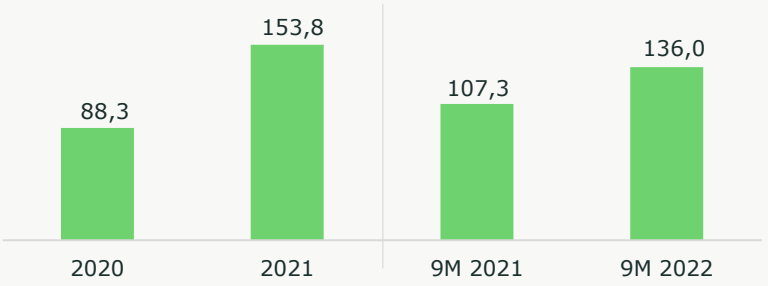
Growth in the Group's equity between December 2021 and September 2022 was mainly attributable to strong financial performance as EUR 17.4 mln of equity growth stemmed from organic growth in net profits. Additionally, positive FX movement and slight increase in subordinated debt also had a positive impact on equity growth.

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; 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-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. 9M 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 2.5 mln; (b) loss resulting from subsidiary write-off EUR 2.4 mln. 9M 2022 EBITDA adjusted with an increase by one-off costs: (a) loss resulting from subsidiary write-off EUR 0.4 mln.

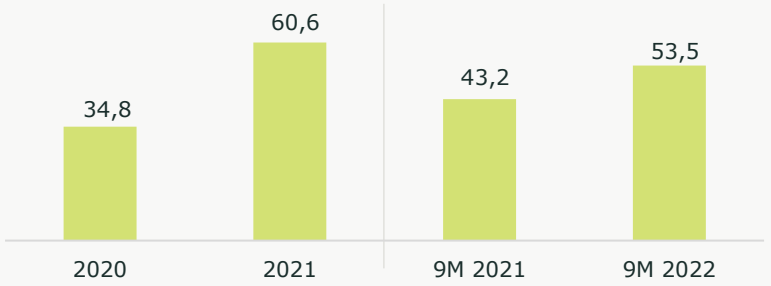
Financial highlights

Financial results manifest the improving performance

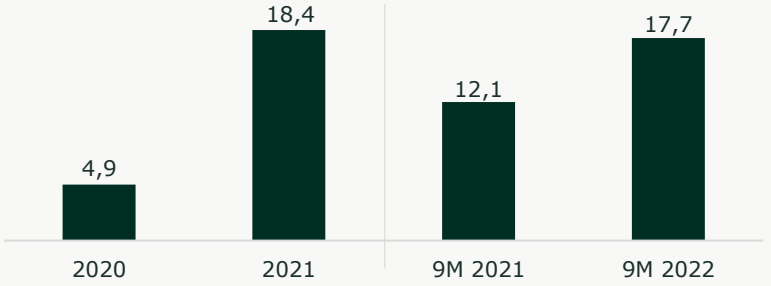
Revenue, mln EUR[1]



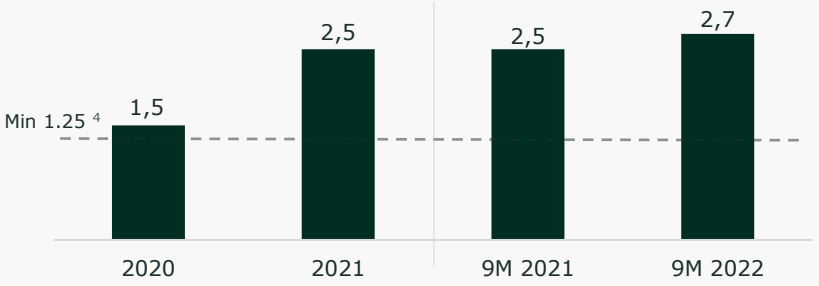
EBITDA, mln EUR[2]



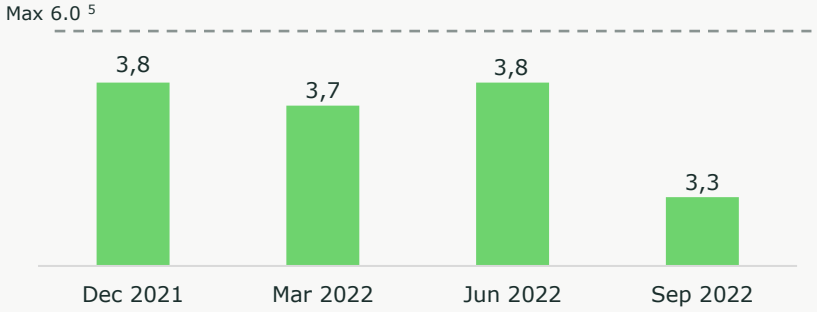
Net Profit before FX effect, mln EUR[3]



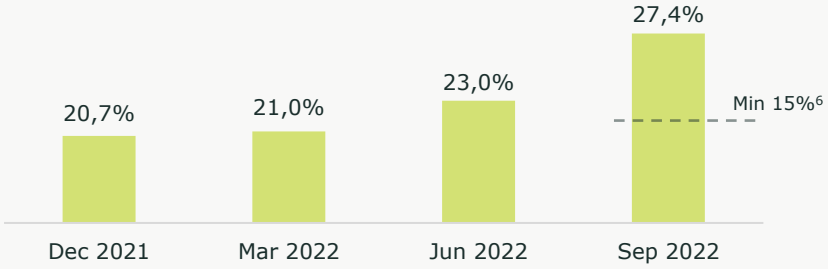
Interest coverage ratio



Net leverage



Capitalization ratio



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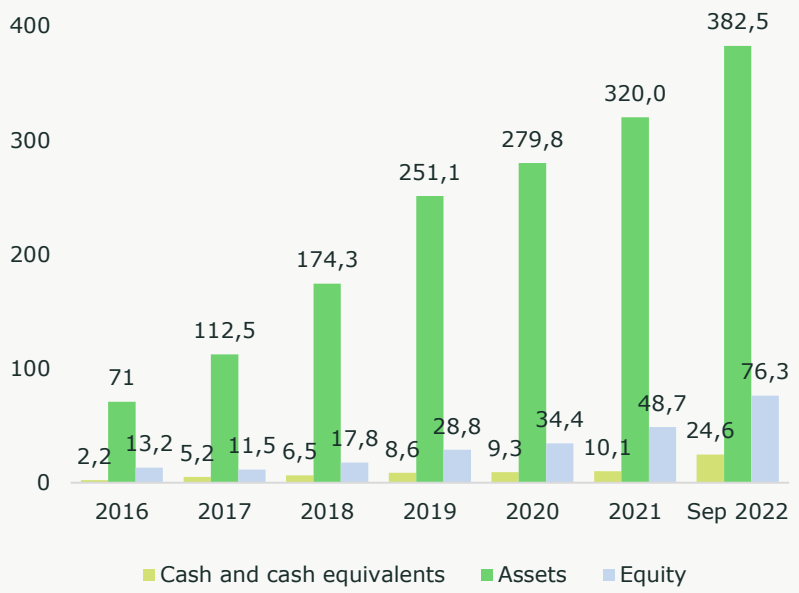
2. 2020 EBITDA adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one-off gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair vale gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. 9M 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 2.5 mln; (b) loss resulting from subsidiary write-off EUR 2.4 mln. 9M 2022 EBITDA adjusted with an increase by one-off costs: (a) loss resulting from subsidiary write-off EUR 0.4 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) trademark acquired 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. 9M 2021 adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 2.5 mln; (b) loss resulting from subsidiary write-off EUR 2.4 mln. 9M 2022 adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.4 mln
4. Financial covenant - Interest coverage ratio (EBITDA to Net Finance Charges) of at least 1.25.
5. Financial covenant - Net leverage (Net Debt to EBITDA) not more than 6.0.
6. Financial covenant - Capitalization ratio (Equity to Net Loan portfolio) of at least 15%.

Assets & Liabilities

Sustained growth in assets

Assets and Equity, mln EUR



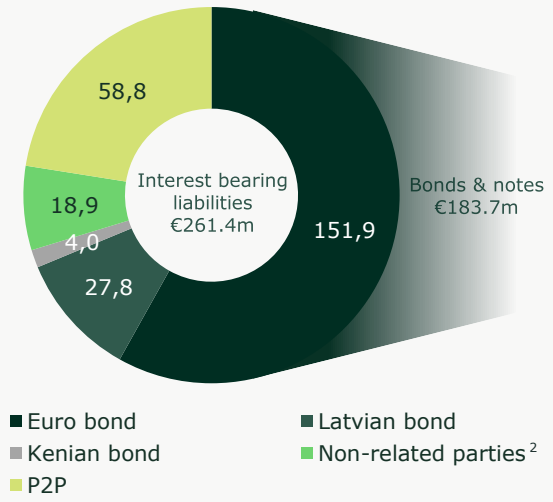
Most of the Group's assets are comprised of net loan portfolio, used car rent portfolio, and cash.

Increase in total assets has mainly been driven by growing vehicle and consumer loan portfolios.

Capitalization ratio remains above the Eurobond covenant requirements.

	2017	2018	2019	2020	2021	Sep 2022
Capitalization ratio[1]	11.8%	12.7%	16.2%	18.4%	20.7%	27.4%

Liabilities, mln EUR



More than two thirds of the Group's funding stems from bond & note issuances:

- EUR 150 mln Eurobond issued on 18 October 2021 with an annual interest rate of 9.5%;
- EUR 30 mln Latvian bond issued on 1 March 2021 with an annual interest rate of 11%;
- EUR 4 mln privately placed Kenyan notes issued starting August 2022 with an annual interest rate of 14% or 15%, depending on holding period.

Fitch Ratings has affirmed our long-term Issuer Default Rating (IDR) and senior secured debt rating to "B-". The outlook on the long-term IDR is Stable.

Bond maturity profile	2024	2026
EUR	30 000 000	150 000 000

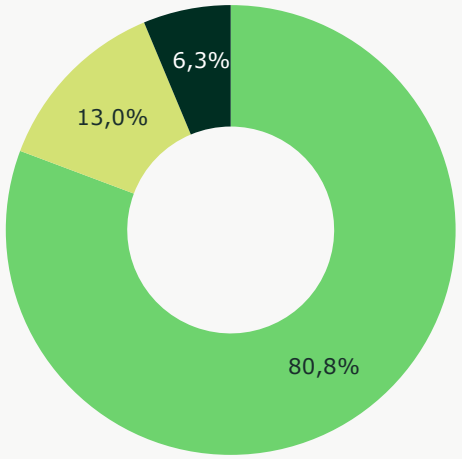
1. Capitalization ratio: (Shareholders´ equity + shareholders´ loans) / Net loan portfolio
2. This consists of EUR 17.5 mln of loans from local banks and EUR 1.4 mln of other interest-bearing liabilities

Non-performing loans and provisioning

Maintaining excellent portfolio quality

Net vehicle loan portfolio quality analysis

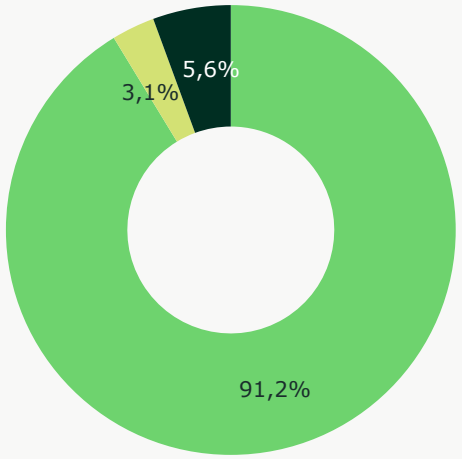
As per September 2022



- Stage1: Current-30 days overdue
- Stage2: 31-34 days overdue
- Stage3: 35+ days overdue (NPL)

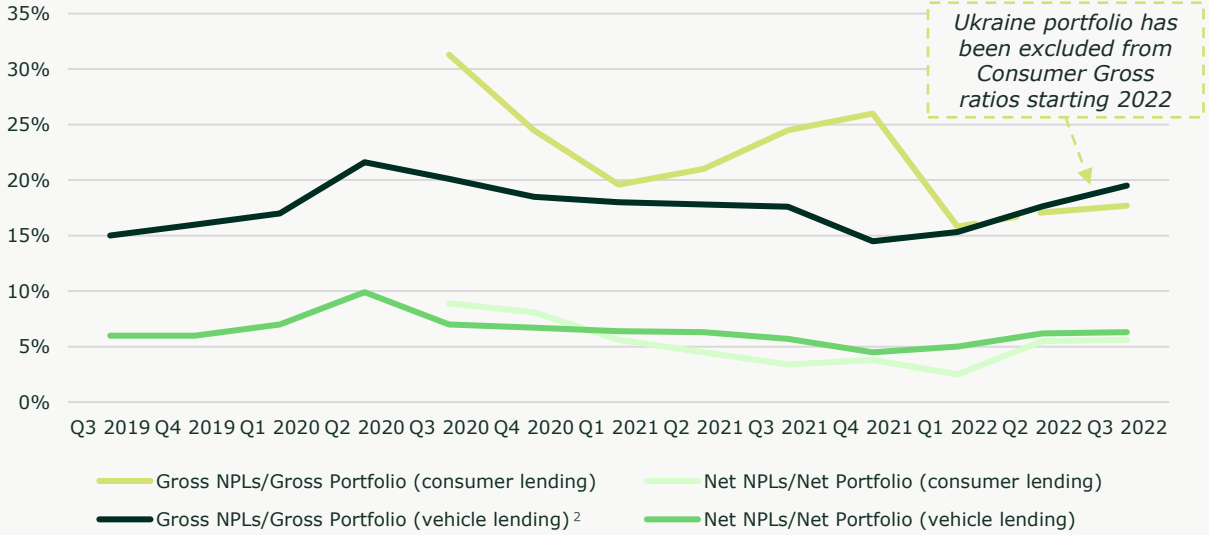
Net consumer loan portfolio quality analysis

As per September 2022



- Stage1: Current-30 days overdue
- Stage2: 31-90 days overdue
- Stage3: 90+ days overdue (NPL)

Gross and net NPL portfolio



Net portfolio quality remains high, with Stage 3 loans below 7% across both segments.

Slight increase in both gross and net NPLs in vehicle business segment mainly driven by portfolio development in Kenya and Uganda due to temporary economic slowdown related to election period and increase in commodity prices.

High impairment coverage of 89% in vehicle business segment and 136% in consumer business segment.

1. Net loan portfolio (including accrued interest) = Gross loan portfolio – provisions; NPL is defined as 35+ DPD for vehicle and 90+ DPD for consumer portfolios
2. Excluding Poland starting Q3 2018 and Albania, Kazakhstan, Bosnia and Herzegovina, and North Macedonia starting Q2 2020

Outlook – Products & Services

Outlook – Products & Services

		Products & Services		Product strategy for next 12 months
MOBILITY	Financing	mogo	Vehicle leasing for pre-owned cars	Maintain organic growth in the existing markets
		primero	Premium vehicle leasing for pre-owned cars	Maintain organic growth in the existing markets and launch 1 new market (Lithuania)
	Flexible lease and subscription	RENTI Renti plus	Rent-to-buy & subscription services for ultimate flexibility	Maintain organic growth in the existing markets
		mogo Boda loans	Motorcycle taxi loans in emerging markets[1]	Maintain organic growth in the existing markets
		OX	Electric car sharing product[2]	Scale the new product in Latvia
INCLUSION	Consumer lending	Kredo.al Tigo.mk Sebo.md	Consumer loan products available online and through branch networks	Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs, portfolio run down in Ukraine

1. Kenya and Uganda
2. Electric car sharing services launched in Latvia in July 2022

Processes

- Further **automation of loan issuances and underwriting processes** for seamless customer experience and efficient resource allocation
- Continued **focus on cost optimization** initiatives
- Continued **development of sales channels**

Capital management

- Continuous **improvement in financial covenants:** Interest Coverage ratio (ICR), Net Leverage ratio and Capitalization ratio and target a **rating upgrade**
- Explore routes for **attracting outside equity**
- Significantly **decrease exposure** in Ukraine and Belarus

Social impact

- **Development of a financial literacy program** for the Group's markets by the mid Q4 2022
- Definition of a **clear Code of Business Conduct and Ethics** to serve as a guideline for all subsidiaries in business-related processes
- Further development of internal projects aimed at improving the **emotional well-being and mental health of employees**
- **Educational measures** covering financial literary for customers in Kenya and Uganda

Appendix

Table of contents

Focus on sustainability. ESG strategy for 2025

Eleving Group's four areas of action

Responsible access to finance

Responsible lending
- Improvement of financial literacy of at least 500 000 people through the implementation of interactive tools for markets represented by the Group

Enabling access to finance
- Support local SME environment by creating jobs through Company's funding

Responsible business conduct

Governance
- Implementation of the whistleblowing system
- Customer service and debt collection guidelines on local websites
- Employee Business Code of Conduct
- Internal compliance program

Sustainable procurements
- Development of internal procurement guidelines in line with the ESG strategy and external regulations

Employee growth and well-being

Learning and development projects
- Provide employees with at least 8 hrs of professional development training per year
- Improvement of health and well-being of employees through health-related initiatives
- Infrastructure for healthy work-life balance

Engagement, diversity, and equal opportunities
- Improve gender diversity in senior leadership roles by 2-3%, maintain equal salary level with a gap not exceeding 2%
- Implementation of Equality, Inclusion, and Non-Discrimination policy

Climate impact

Reduction of portfolio environmental impact
- Promotion of low-carbon mobility
- Subscription product focusing on low pollution vehicles
- Development of an electric car-sharing product for the Latvian market
- Promotion of electric Boda Boda financing product in African markets
- At least 1 000 zero-emission vehicles in the portfolio by 2025
- CO2 emission-related information in Group's sales portals

Reduction of the climate impact of administrative activities
- Increase share of renewable energy used in offices to 90%
- Reduction of energy and water consumption
- Reduction of waste generation

Alignment with the United Nations Sustainable Development Goals[2]

Latest ESG milestones

- As part of Eleving Group's long-term strategy to further educate customers about green mobility and sustainable decisions, the company has **introduced a new feature in** its **car portals** – the **CO2 intensity input in the ads of cars**. Vehicles that meet a higher ecological standard will have a badge added to the ad and will be highlighted, among others.
- The company has **signed the Mission Zero Charter to increase workplace safety standards and reduce work-related injuries**. Arising from this initiative, the company is currently streamlining its internal educational procedures for employees to increase their awareness of safety measures.

MISSION ZERO
HEALTH AND SAFETY STARTS WITH US

Carbon Neutral Organisation

Organizational structure

Eleving GROUP

Eleving VEHICLE FINANCE

Eleving VEHICLE AFRICA & ASIA

- MOGO (Kenya)
- MOGO (Uganda)
- MOGO (Uzbekistan)

Eleving VEHICLE EASTERN EUROPE

- MOGO, RENTI, RENTI PLUS, PRIMERO (Latvia)
- MOGO, RENTI, PRIMERO (Lithuania)
- MOGO (Moldova)
- MOGO (Romania)
- MOGO (Belarus)

Eleving VEHICLE CAUCASUS & NORDICS

- MOGO, RENTI PLUS (Estonia)
- MOGO (Armenia)
- MOGO (Georgia)
- MOGO (Finland)

Eleving CONSUMER FINANCE

- SEBO (Moldova)
- TIGO (North Macedonia)
- KREDO (Albania)
- INSTAFINANCE (Ukraine)

Income statement

EUR mln	2018	2019	2020	2021	9M 2021	9M 2022
Interest revenue calculated using the effective interest method	54.4	68.0	73.7	136.5	94.4	125.7
Interest expense calculated using the effective interest method	(14.2)	(21.2)	(24.9)	(28.2)	(21.4)	(22.3)
Net interest income	**40.2**	**46.8**	**48.8**	**108.3**	**73.0**	**103.4**
Fee and commission income	3.4	3.8	5.0	7.5	5.3	6.1
Revenue from rent	0.2	4.0	6.2	6.5	5.1	4.2
Total net revenue	**43.8**	**54.6**	**60.0**	**122.3**	**83.4**	**113.7**
Impairment expense	(18.3)	(16.1)	(21.9)	(37.2)	(28.6)	(34.8)
Expenses related to peer-to-peer platform services	(0.7)	(0.7)	(0.9)	(1.0)	(0.8)	(0.7)
Selling expense	(2.2)	(3.1)	(2.6)	(8.2)	(5.3)	(5.8)
Administrative expense	(16.8)	(29.4)	(31.0)	(49.6)	(35.9)	(45.8)
Bonds refinancing expense	-	-	-	(5.7)	-	-
Other operating (expense) / income	1.0	(0.4)	8.8	(5.5)	(1.2)	(1.9)
Net foreign exchange result	(0.3)	(0.2)	(11.1)	1.1	0.5	0.5
Profit or loss before taxes	**6.5**	**4.7**	**1.3**	**16.3**	**12.1**	**25.2**
Corporate income tax	(1.4)	(1.3)	(0.7)	(6.9)	(5.0)	(8.7)
Deferred corporate income tax	0.4	1.0	1.0	0.4	0.6	1.3
Net profit for the period	**5.5**	**4.4**	**1.6**	**9.7**	**7.7**	**17.8**
Discontinued operations	(0.8)	2.1	(0.0)	(2.6)	2.3	(1.0)
Translation of financial information of foreign operations to presentation currency	0.1	(0.4)	(1.5)	2.5	1.3	8.8
Total comprehensive income for the period	**4.7**	**6.2**	**0.1**	**9.7**	**11.3**	**25.6**
Net profit before FX and discontinued operations	**5.8**	**4.6**	**12.7**	**8.8**	**4.9**	**18.3**
EBITDA	**22.7**	**27.0**	**42.6**	**50.8**	**38.3**	**53.1**
Adjusted EBITDA	**22.7**	**27.0**	**34.8**	**60.6**	**43.2**	**53.5**

Balance sheet

Assets, EUR mln	2018	2019	2020	2021	Q3 2022
ASSETS					
Goodwill	1.7	4.1	6.6	4.2	4.2
Internally generated intangible assets	1.9	3.6	5.9	7.5	8.9
Other intangible assets	0.1	0.2	2.3	2.7	2.4
Loans and lease receivables and rental fleet	141.3	193.6	201.4	245.2	288.6
Right-of-use assets	2.4	7.9	7.5	9.1	10.4
Property, plant and equipment	1.0	1.6	2.1	2.5	3.2
Leasehold improvements	0.3	0.3	0.4	0.6	0.6
Advance payments for assets	0.2	-	0.0	0.0	-
Receivables as a result of sale of subsidiaries to related parties	-	16.0	9.4	2.3	-
Receivables as a result of sale of subsidiaries to third parties	-	-	1.5	1.1	-
Loans to related parties	5.4	6.1	5.2	4.1	3.5
Other financial assets	5.8	2.5	2.7	1.8	1.9
Deferred tax asset	0.6	1.6	2.9	2.8	4.8
Inventories	1.7	0.6	1.6	3.8	3.1
Prepaid expense	0.8	1.0	1.9	1.7	2.2
Trade receivables	0.8	1.4	0.8	0.7	0.3
Other receivables	1.3	2.5	6.8	4.5	9.6
Assets of subsidiary held for sale	-	-	9.4	12.9	13.0
Assets held for sale	2.6	1.9	2.1	2.4	1.2
Cash and cash equivalents	6.5	8.7	9.3	10.1	24.6
TOTAL ASSETS	**174.3**	**253.6**	**279.8**	**320.0**	**382.5**

Equity & Liabilities, EUR mln	2018	2019	2020	2021	Q3 2022
EQUITY					
Share capital	-	1.0	1.0	1.0	1.0
Retained earnings	15.1	21.4	22.9	22.3	36.0
Foreign currency translation reserve	(0.4)	(0.8)	(2.3)	0.2	8.6
Reserve	0.1	0.3	0.3	0.8	0.8
Equity attributable to equity holders of the Company	**14.8**	**21.8**	**22.0**	**24.3**	**46.4**
Non-controlling interests	0.5	0.5	0.3	7.1	10.8
Subordinated debt	2.5	6.8	12.1	17.3	19.0
TOTAL EQUITY	**17.8**	**29.1**	**34.4**	**48.7**	**76.2**
LIABILITIES					
Borrowings	150.4	215.5	224.4	241.6	261.4
Provisions	1.4	0.9	0.4	0.1	0.2
Prepayments and other payments received from customers	0.1	0.2	0.5	0.9	0.5
Trade payable	1.2	1.3	1.3	2.7	1.6
Corporate income tax payable	0.6	0.3	0.8	3.7	6.6
Taxes payable	0.6	1.5	2.0	1.8	2.7
Other liabilities	0.2	2.4	8.6	10.1	16.6
Liability of subsidiary held for sale	-	-	3.9	6.1	8.1
Accrued liabilities	1.8	2.6	3.3	4.2	8.5
Other non-current financial liabilities	0.1	0.1	0.2	0.1	0.1
TOTAL EQUITY + LIABILITIES	**174.3**	**253.6**	**279.8**	**320.0**	**382.5**

Statement of cash flow

EUR mln	2018	2019	2020	2021	9M 2021	9M 2022
Cash flows to/from operating activities						
Profit/(loss) before tax	5.7	6.9	0.9	13.5	14.4	24.2
Adjustments for:						
Amortization and depreciation	1.8	3.8	5.7	7.3	5.3	6.1
Interest expense	14.2	21.9	26.1	28.2	21.4	22.3
Interest income	(54.4)	(72.4)	(83.5)	(135.3)	(94.4)	(125.7)
Loss/(gain) on disposal of property, plant and equipment	0.2	1.0	1.4	1.3	2.5	2.2
Impairment expense	17.6	16.7	26.5	39.7	28.6	34.8
Gain on acquisition of subsidiaries	-	-	(11.5)	-	-	-
(Gain)/loss from fluctuations of currency exchange rates	0.3	(0.1)	11.7	0.5	0.8	(9.3)
Operating profit before working capital changes	**(14.6)**	**(22.3)**	**(22.7)**	**(44.8)**	**(21.4)**	**(45.4)**
(Increase)/decrease in inventories	(0.9)	1.1	(1.0)	(2.1)	(2.3)	0.7
(Increase)/decrease in receivables	(53.9)	(66.3)	(24.6)	(89.2)	(55.0)	(55.5)
Increase/(decrease) in trade payable, taxes payable and other liabilities	1.4	(3.2)	2.4	4.5	(1.6)	4.0
Cash generated to/from operating activities	**(68.1)**	**(84.3)**	**(45.9)**	**(131.6)**	**(80.3)**	**(96.2)**
Interest received	54.3	70.5	83.3	135.3	96.7	125.7
Interest paid	(12.4)	(19.4)	(22.6)	(25.3)	(19.8)	(18.3)
Corporate income tax paid	(1.2)	(1.8)	(1.0)	(3.7)	(2.6)	(6.4)
Net cash flows to/from operating activities	**(27.4)**	**(35.0)**	**13.8**	**(25.3)**	**(6.0)**	**4.8**

EUR mln	2018	2019	2020	2021	9M 2021	9M 2022
Cash flows to/from investing activities						
Purchase of property, plant and equipment and intangible assets	(1.9)	(5.4)	(4.0)	(5.9)	(5.3)	(5.4)
Purchase of rental fleet	(1.4)	(13.4)	(9.0)	(3.5)	(3.0)	(4.0)
Loan repayments received	1.5	9.2	3.3	18.7	6.5	5.1
Received payments for sale of shares in subsidiaries	-	0.2	5.3	-	-	-
Advance payments for acquisition of a subsidiaries	(1.0)	(0.3)	-	-	-	-
Acquisition of a subsidiary, net of cash acquired	(0.9)	(0.8)	(4.1)	-	-	-
Disposal of discontinued operation, net of cash disposed of	-	(1.4)	(0.3)	-	-	-
Payments for acquisition of non-controlling interests	-	(0.1)	(0.1)	-	-	-
Loans issued and bank deposits	(10.7)	(11.4)	(0.4)	(0.1)	(0.5)	(0.5)
Net cash flows to/from investing activities	**(14.4)**	**(23.4)**	**(9.3)**	**9.2**	**(2.3)**	**(4.8)**
Cash flows to/from financing activities						
Proceeds from issue/(repayment) of share premium	-	1.0	-	-	-	-
Proceeds from borrowings	304.7	108.3	212.8	537.5	211.6	129.6
Repayments for borrowings	(259.5)	(47.0)	(216.6)	(520.6)	(198.2)	(115.1)
Repayment of liabilities for right-of-use assets	(1.8)	(1.8)	-	-	-	-
Dividends paid to non-controlling shareholders	(0.1)	-	-	(0.3)	(0.3)	-
Net cash flows to/from financing activities	**43.3**	**60.5**	**(3.8)**	**16.6**	**13.1**	**14.5**
Effect of exchange rates on cash and cash equivalents	(0.2)	0.1	-	-	-	-
Change in cash	**1.3**	**2.1**	**0.7**	**0.5**	**4.8**	**14.5**
Cash at the beginning of the period	5.2	6.5	8.6	9.3	9.3	10.1
Cash at the end of the period	**6.5**	**8.7**	**9.3**	**9.8**	**14.1**	**24.6**

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 at the start and end of each period divided by two
- **Capitalization ratio**—equity (incl. subordinated debt)/net loan portfolio (excl. used car rent portfolio)
- **Conversion rate** — number of loans issued/number of loan applications received
- **Cost/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
- **QOQ** – comparison between two consecutive quarters, e.g., Q3 2022 compared to Q2 2022

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 GROUP

Thank you!

Eleving Group

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