

Earnings Call Presentation

12 months 2022

February 2023

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



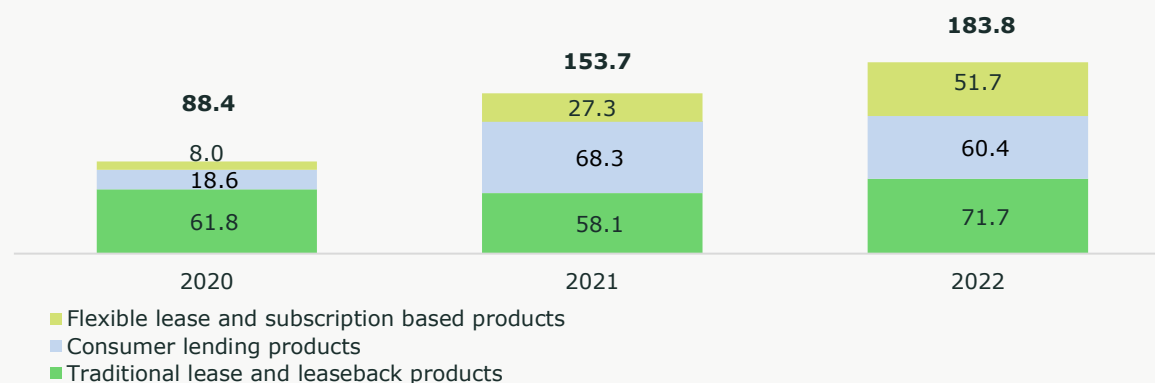
Maris Kreics
Chief Financial Officer

- 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)

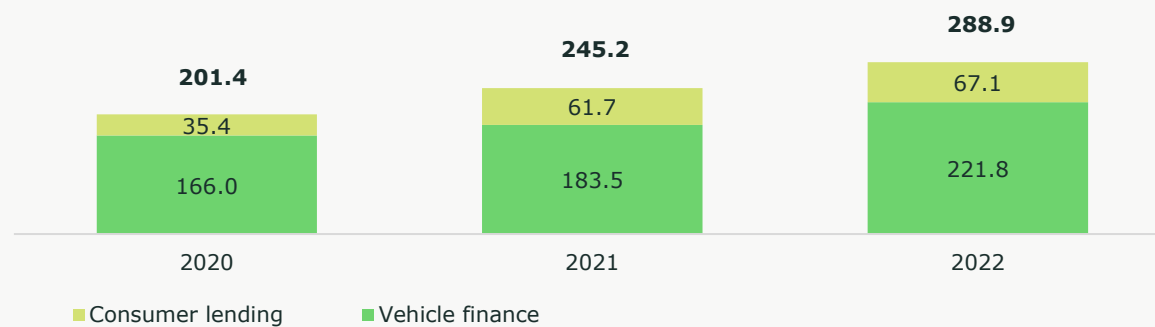
Operational highlights

Improving operational and financial performance

Revenue, mln EUR¹



Net portfolio, mln EUR



1. 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.

Stable increase in key performance indicators during the period:

- Adjusted revenue up by 19.6% compared to 12M 2021 to EUR 183.8 mln;
- Stable net portfolio growth of 17.8% YOY to EUR 288.9 mln.

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

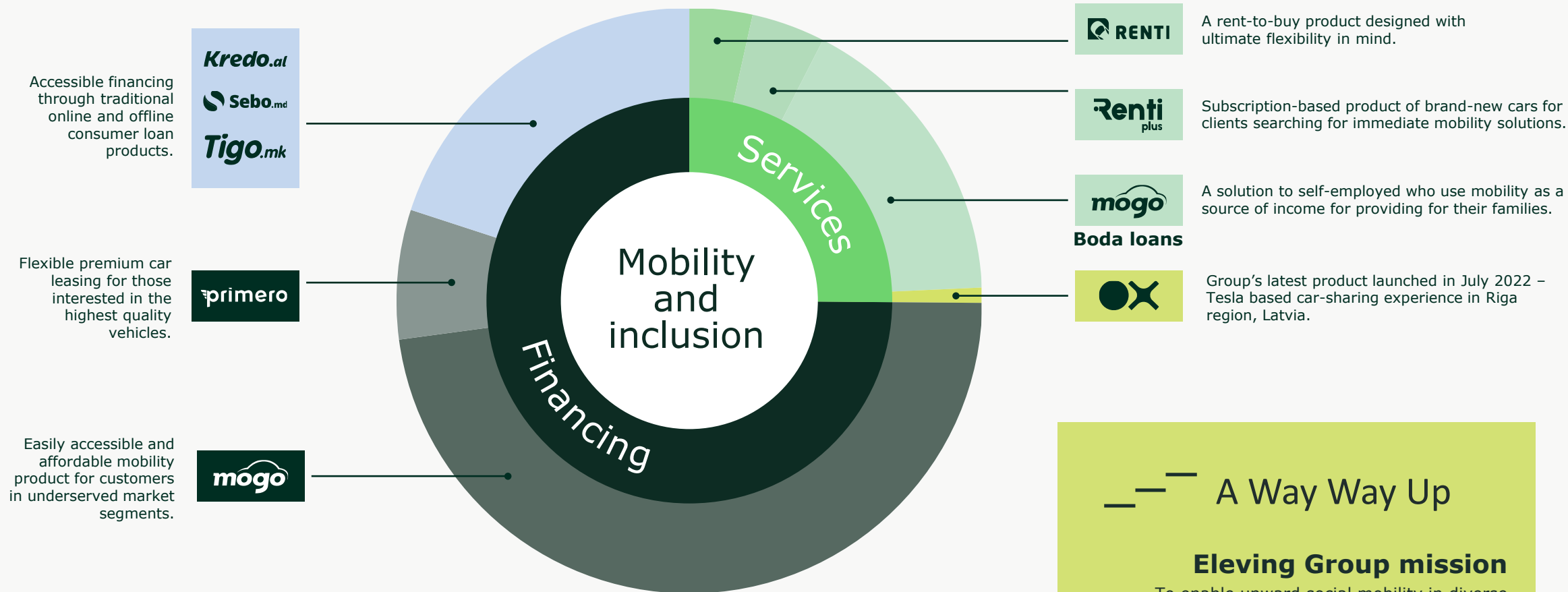
- flexible lease and subscription-based product revenue up by 91.1% compared to 12M 2021, but down by 4.8% QOQ. The negative development in quarterly revenue was mainly attributable to the Group's more cautious underwriting approach in East Africa and limited development in subscription-based products due to lower availability and higher price of bank financing;
- traditional lease and leaseback product revenue increased by 32.5% compared to 12M 2021 and 13.2% QOQ, mainly driven by successful portfolio growth across majority portfolio markets;
- consumer lending product revenue decreased by 12.1% compared to 12M 2021 but increased by 4.0% QOQ. The negative development in annual consumer lending revenue mainly stemmed from the run-down of the Ukrainian portfolio.

The Group's strategic focus on efficiency and lean operations throughout the year coupled with the hub-level reorganization initiated during Q4 has yielded positive effects on the Group's profitability, as evidenced by the 1.7 p.p. drop in cost-to-income ratio in 12M 2022 compared to 12M 2021.

Midst Q4, the Group partnered with battery swapping technology specialist STIMA and the Estonian ride hailing unicorn Bolt to promote a climate-neutral mobility in Kenya by offering electric motorcycle financing services to local customers.

During Q4, Eleving Group continued its course towards a more sustainable future and has achieved several milestones in line with its ESG strategic objectives. The most prominent highlight in the ESG space was the launch of a financial literacy platform where anyone can assess the health of their existing loan commitments, evaluate whether new financial commitments would be feasible, and find advice on budgeting, debt management, savings, financial hygiene, and much more.

Eleving Group's product universe



Financing products include traditional lease and leaseback products as well as consumer financing products that accounted for **75% of the Group's total net portfolio** as at December 2022.

Services products include flexible lease and subscription-based products that accounted for **25% of the Group's total net portfolio** as at December 2022.

A Way Way Up

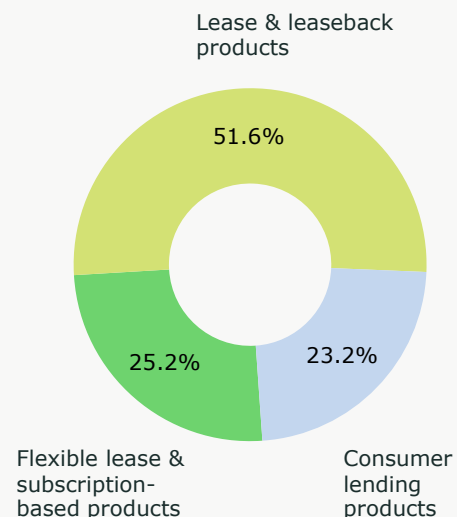
Eleving Group mission

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 balance¹ as per December 2022



Vehicle Finance²

 Latvia (LV) Population ³ : 1.9 mln Passenger vehicles ⁴ : 0.66 mln Operations launched: y2012 Share of portfolio: 4.6% (10.1% ¹)	 Moldova (MD) Population: 2.6 mln Passenger vehicles: 0.58 mln Operations launched: y2017 Share of portfolio: 5.5%
 Lithuania (LT) Population: 2.8 mln Passenger vehicles: 1.26 mln Operations launched: y2013 Share of portfolio: 9.4%	 Uzbekistan (UZ) Population: 34.2 mln Passenger vehicles: n.a. Operations launched: y2018 Share of portfolio: 3.0%
 Estonia (EE) Population: 1.3 mln Passenger vehicles: 0.79 mln Operations launched: y2013 Share of portfolio: 3.9%	 Kenya (KE) Population: 53.8 mln Passenger vehicles: 0.96 mln Operations launched: y2019 Share of portfolio: 17.8%
 Georgia (GE) Population: 3.7 mln Passenger vehicles: 1.01 mln Operations launched: y2014 Share of portfolio: 5.5%	 Uganda (UG) Population: 45.7 mln Passenger vehicles: 0.17 mln Operations launched: y2019 Share of portfolio: 7.5%
 Romania (RO) Population: 19.2 mln Passenger vehicles: 6.90 mln Operations launched: y2016 Share of portfolio: 10.1%	 Belarus (BY)⁵ Population: 9.4 mln Passenger vehicles: 3.29 mln Operations launched: y2018 Share of portfolio: 5.1% *23.4% drop in net portfolio compared to Q1 2022 (from EUR 19.3 mln to EUR 14.6 mln)
 Armenia (AM) Population: 2.9 mln Passenger vehicles: n.a. Operations launched: y2017 Share of portfolio: 4.4%	

Consumer Finance

 Albania (AL) Population: 2.8 mln Business acquired: y2020 Share of portfolio: 10.1%
 North Macedonia (MK) Population: 2.1 mln Business acquired: y2020 Share of portfolio: 5.8%
 Moldova (MD) Population: 2.6 mln Business acquired: y2020 Share of portfolio: 6.8%


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. Issuances halted in BY with aim to decrease exposure

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

 Consumer Finance

Non-financial KPIs

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

Vehicle Finance, Q4 2022

13.9k ↓ (2.0k)
Vehicles financed
 7.3k Cars vs
 6.6K Motorcycles

15.4% ↑ (1.0 p.p.)
Conversion rate
 9.7% Cars vs
 43.4% Motorcycles

3.4 mln ↓ (1.2 mln)
Interactions with clients

5.2k ↑ (0.1k)
Dealer partnerships

86.1k ↓ (20.0k)
Applications received
 71.5k Cars vs
 14.6k Motorcycles

2.0k ↑ (0.1k)
Avg ticket size (EUR)
 4.3k Cars vs
 1.0k Motorcycles

0.1k
Green vehicles financed

0.7k ↓ (0.2k)
Bio-gas vehicles financed

Consumer Finance, Q4 2022²

69.6k ↑ (2.5k)
Loans issued

40.3% ↓ (1.6 p.p.)
Conversion rate

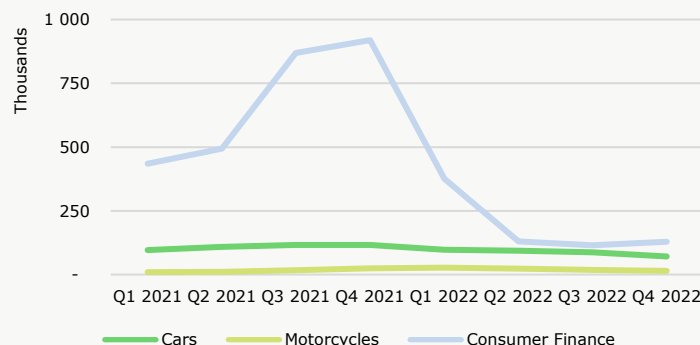
128.8k ↑ (13.5k)
Applications received

0.4k
Avg ticket size (EUR)

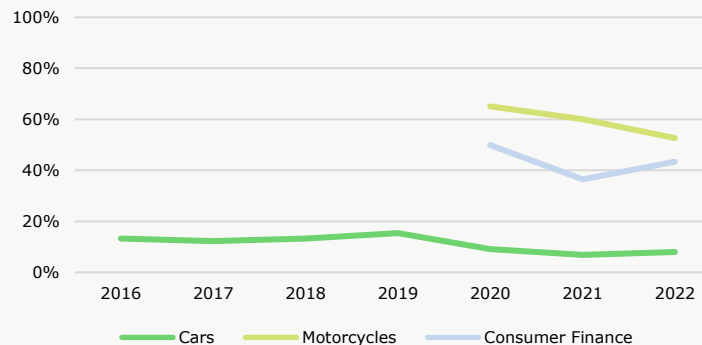
5.8 mln
Interactions with clients

↑ ↓ - change QOQ

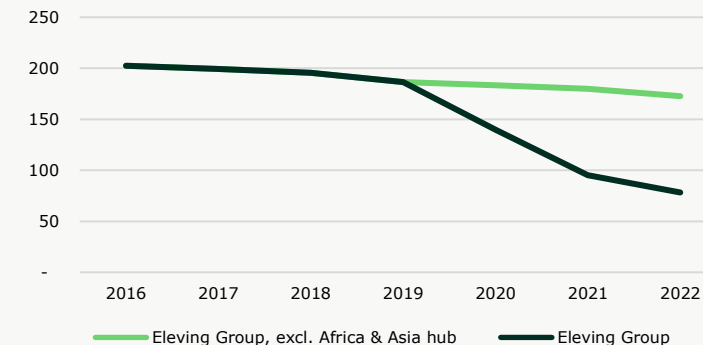
Applications received



Conversion rate



Average CO2 emissions of portfolio by loan issued date¹, g per 100km



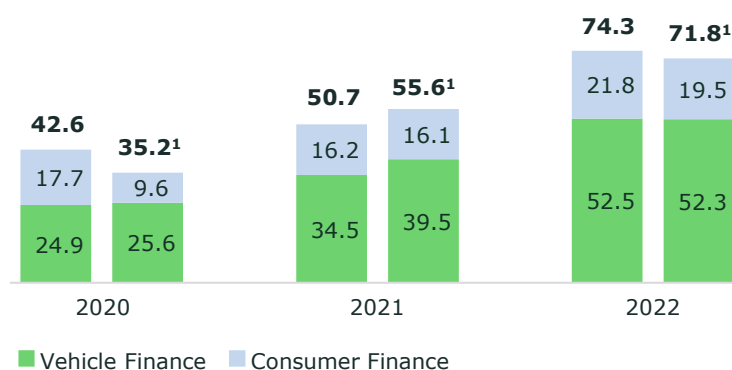
1. To assess the current climate impact of the Group's portfolio, a CO2 calculation methodology was developed internally in 2022. After exploring different approaches and available data sources, it was decided to use the database of the Road Traffic Safety Directorate of Latvia (hereinafter CSDD (Latvian 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. Conversion rate statistics based on new client data.

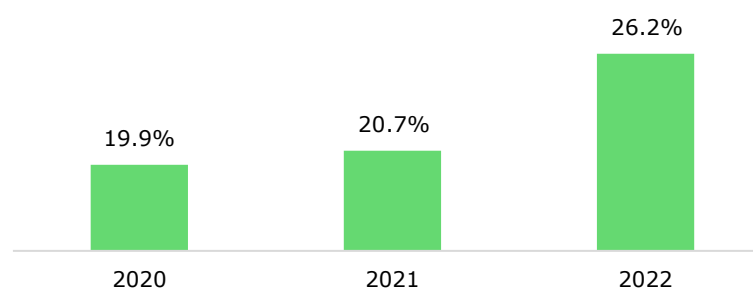
Financial highlights

Solid profitability driven by robust loan issuances and consistent financial performance

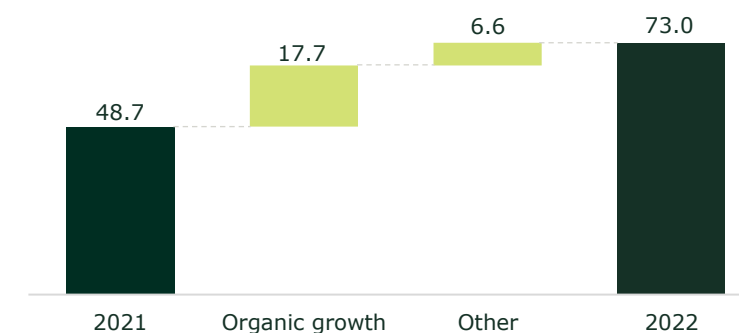
EBITDA and adjusted EBITDA, mln EUR



Capitalization ratio



Equity development, mln EUR



Solid profitability as evidenced by:

- Adjusted EBITDA of EUR 71.8 mln (12M 2021: EUR 55.6 mln)
- Adjusted Net Profit before FX of EUR 27.3 mln (12M 2021: EUR 18.5 mln)
- Adjusted Net Profit after FX of EUR 21.1 mln (12M 2021: EUR 19.6 mln)

The Group's equity has reached EUR 73.0 mln with capitalization ratio at 26.2% providing an adequate and stable headroom for Eurobond covenants.

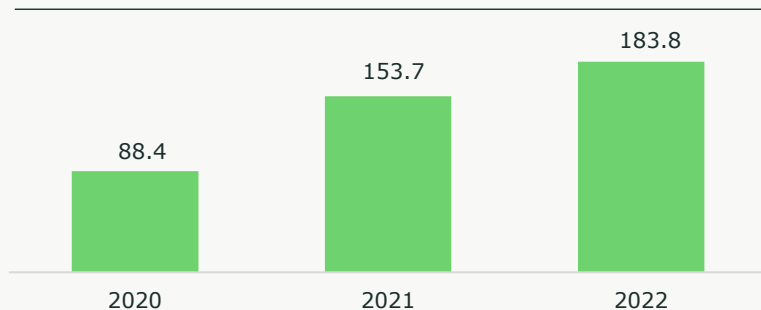
Growth in the Group's equity between December 2021 and December 2022 was mainly attributable to strong financial performance as EUR 17.7 mln of equity growth stemmed from organic growth in net profits. Additionally, positive FX movement and slight increase in subordinated debt also had a positive impact 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; (c) non-controlling interests EUR 0.4 mln; and a decrease by one-off gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) acquisition of trademark EUR 1.8 mln; (c) other one-off adjustments. 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 5.0 mln. 2022 EBITDA adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 3.2 mln.

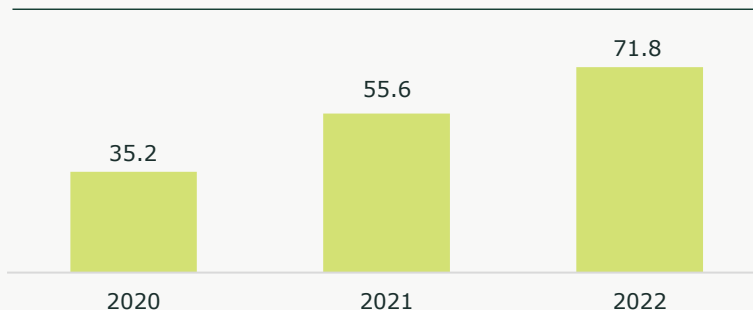
Financial highlights

Financial results manifest the improving performance

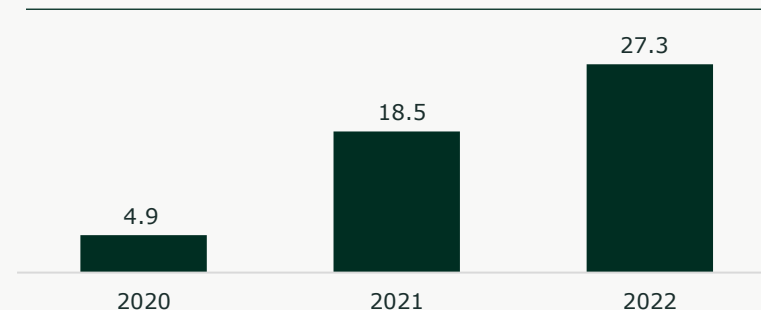
Revenue, mln EUR¹



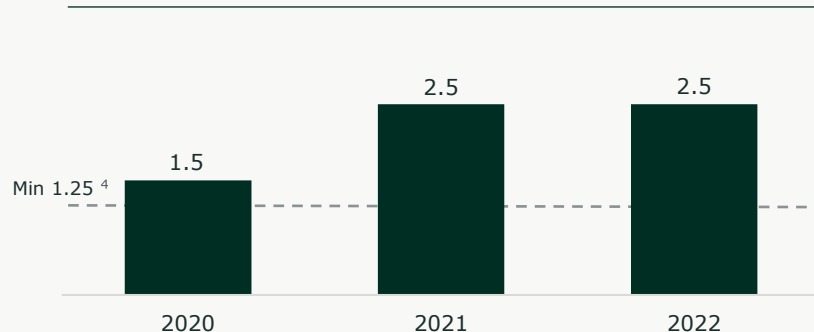
EBITDA, mln EUR²



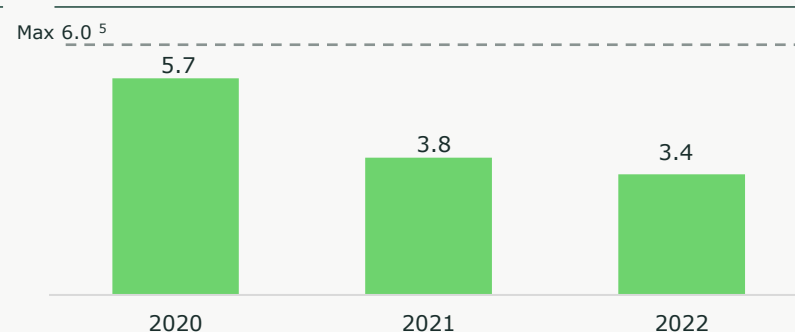
Net Profit before FX effect, mln EUR³



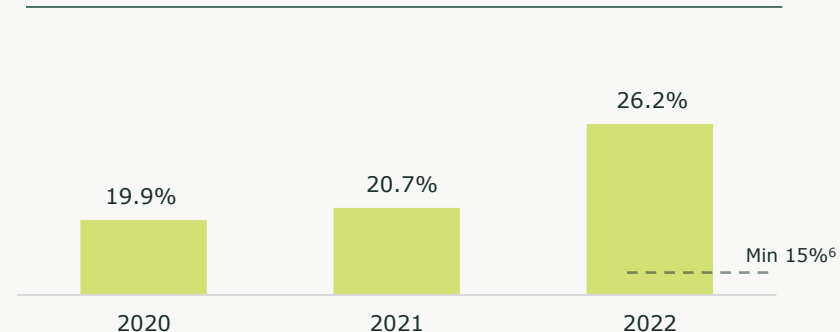
Interest coverage ratio



Net leverage



Capitalization ratio



1. 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.

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; (c) non-controlling interests EUR 0.4 mln; and a decrease by one-off gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) acquisition of trademark EUR 1.8 mln; (c) other one-off adjustments. 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 5.0 mln. 2022 EBITDA adjusted with an increase by one-off costs of: (a) loss resulting from subsidiary write-off EUR 0.8 mln; and a decrease by one-off gains of: (a) non-controlling interests EUR 3.2 mln.

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.

4. Financial covenant - Interest coverage ratio (EBITDA to Net Finance Charges) of at least 1.25.

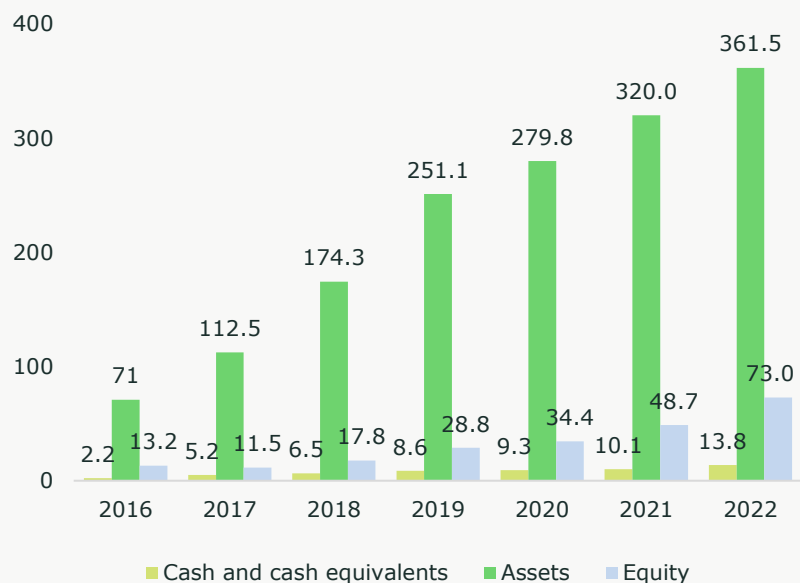
5. Financial covenant - Net leverage (Net Debt to EBITDA) not more than 6.0.

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.

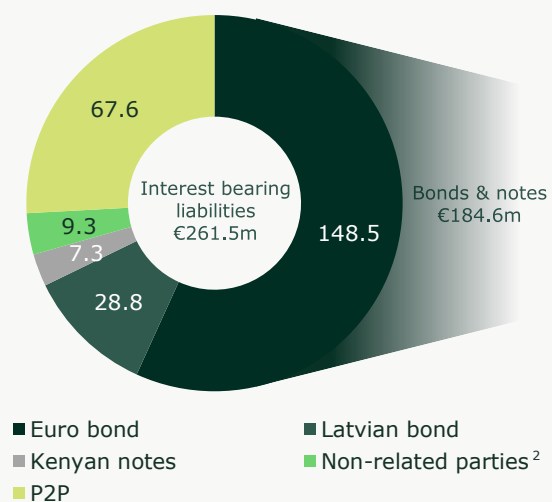
Capitalization ratio remains above the Eurobond covenant requirements.

	2017	2018	2019	2020	2021	2022
Capitalization ratio ¹	11.8%	12.7%	16.2%	18.4%	20.7%	26.2%

1. Capitalization ratio: (Shareholders' equity + shareholders' loans) / Net loan portfolio

2. This consists of EUR 5.6 mln of loans from local banks and EUR 3.7 mln of other interest-bearing liabilities

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 7.3 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.

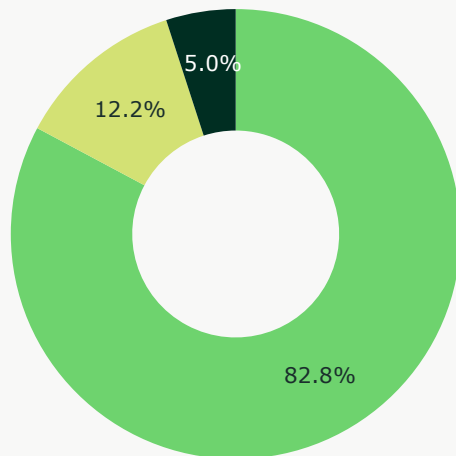
Bond maturity profile	2024	2026
EUR	30 000 000	150 000 000

Non-performing loans and provisioning

Maintaining excellent portfolio quality

Net vehicle loan portfolio quality analysis

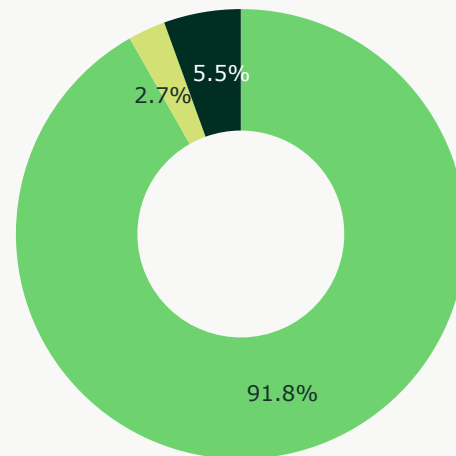
As per December 2022



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

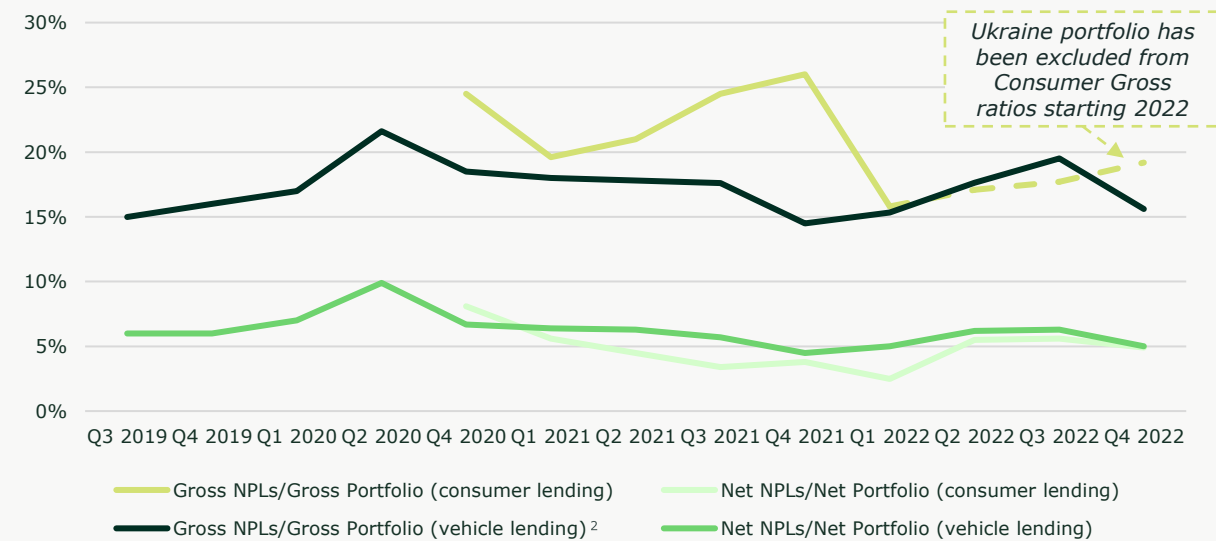
Net consumer loan portfolio quality analysis

As per December 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 6% across both segments.

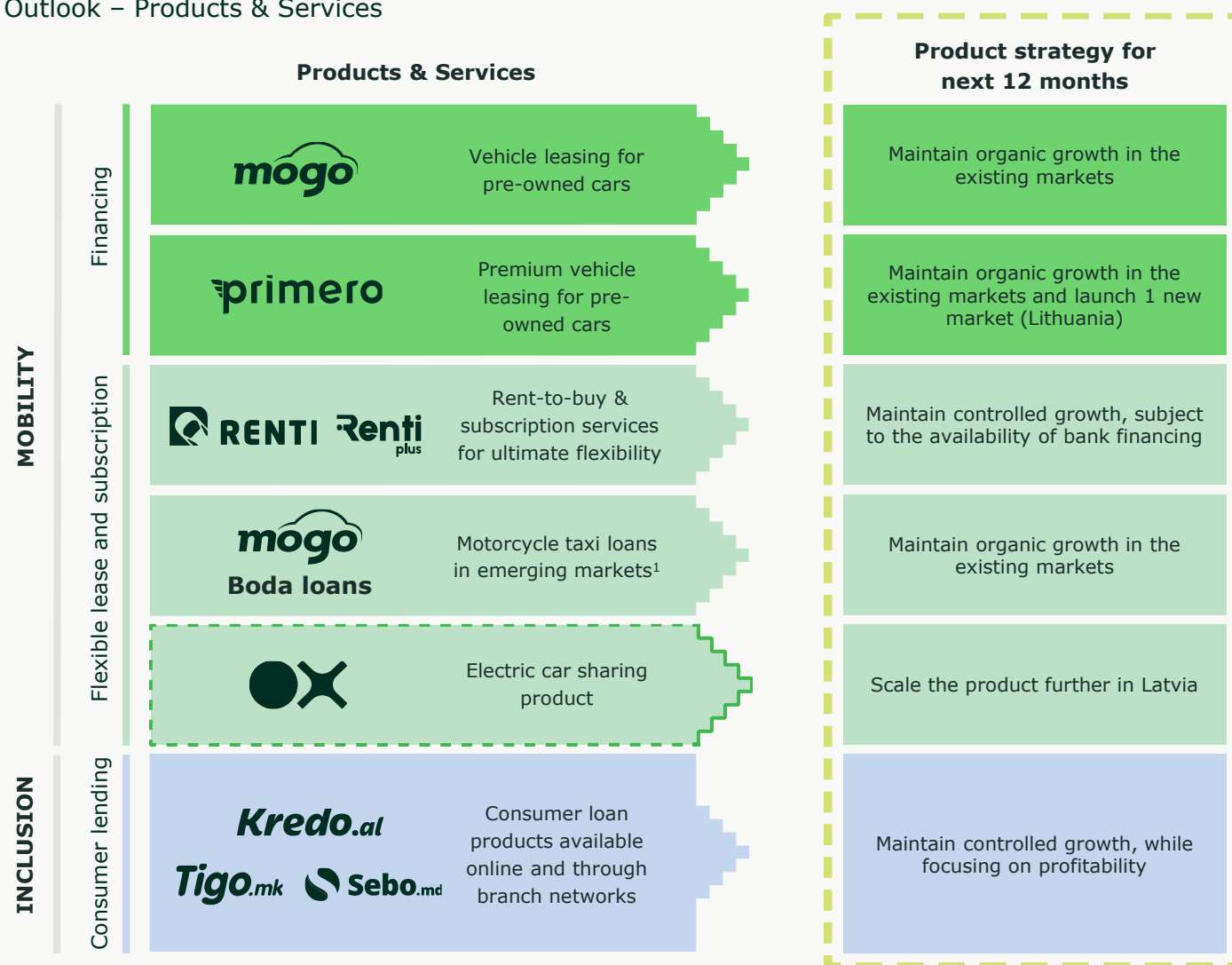
Slight decrease in both gross and net NPLs in vehicle business segment driven by portfolio cessions in Romania and Moldova

High impairment coverage of 95% in vehicle business segment and 132% 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



1. Kenya and Uganda



Processes

- Further **automation of loan issuance and underwriting processes** for seamless customer experience and efficient resource allocation
- Continued **focus on cost optimization** initiatives
- **Roll-out country wide motorcycle financing branch network** in Kenya



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. **Evaluate** possible growth opportunities through **portfolio or business acquisitions or new market launches**
- Continue to **decrease exposure** in Belarus
- **Monitor developments in the financial markets** since the local bond in Latvia is maturing in 2024



Social impact

- Implement the **financial literacy platform** in Estonia, Kenya, Lithuania, Romania, Armenia, and Georgia by the end of Q1 2023.
- Implement **resource consumption monitoring** in all Group offices, with the aim of reducing electricity, water, and heat consumption and waste generation.
- Participate in a carbon offsetting project to **extend the existing Carbon Neutral Company's certificate** for 2023.

Appendix

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Focus on sustainability & ESG strategy for 2025

Organizational structure

Income statement

Balance sheet

Statement of Cash Flow

Glossary

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

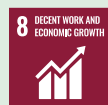
Reduction of portfolio environmental impact

- 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 Goals²



Latest ESG milestones

- During Q4 the Group launched a **financial literacy platform** for the Latvian market aiming to educate consumers on personal budget planning and informed financial decision making. The platform is integrated in the Mogo Latvia and Primero Latvia websites, and available as a standalone platform.
- Active **involvement in industry activities** by organizing Fintech Latvia Association seminars and raising awareness of cybersecurity and related challenges among industry participants.



Carbon Neutral Organisation

Organizational structure

Eleving GROUP

Eleving VEHICLE FINANCE

Eleving CONSUMER FINANCE

Eleving VEHICLE AFRICA & ASIA

Eleving VEHICLE EASTERN EUROPE

Eleving VEHICLE CAUCASUS & NORDICS

MOGO (Kenya)



MOGO (Uganda)



MOGO (Uzbekistan)



MOGO, RENTI, RENTI PLUS,
PRIMERO (Latvia)



MOGO, RENTI, PRIMERO
(Lithuania)



MOGO (Moldova)



MOGO (Romania)



MOGO (Belarus)



MOGO, RENTI PLUS (Estonia)



MOGO (Armenia)



MOGO (Georgia)



SEBO (Moldova)



TIGO (North Macedonia)



KREDO (Albania)



To be merged under a unified 'Eleving Europe' hub name in early 2023

Income statement

EUR mln	2018	2019	2020	2021	2022
Interest revenue calculated using the effective interest method	54.4	68.0	73.7	136.5	170.5
Interest expense calculated using the effective interest method	(14.2)	(21.2)	(24.9)	(28.2)	(32.0)
Net interest income	40.2	46.8	48.8	108.3	138.5
Fee and commission income	3.4	3.8	5.0	7.3	7.9
Revenue from rent	0.2	4.0	6.2	6.4	5.4
Total net revenue	43.8	54.6	60.0	122.0	151.8
Impairment expense	(18.3)	(16.1)	(21.9)	(38.5)	(42.4)
Expenses related to peer-to-peer platform services	(0.7)	(0.7)	(0.9)	(1.0)	(1.0)
Selling expense	(2.2)	(3.1)	(2.6)	(8.2)	(8.0)
Administrative expense	(16.8)	(29.4)	(31.0)	(51.3)	(61.6)
Bonds refinancing expense	-	-	-	(5.7)	-
Other operating (expense) / income	1.0	(0.4)	8.8	(2.2)	(5.2)
Net foreign exchange result	(0.3)	(0.2)	(11.1)	1.1	(6.2)
Profit or loss before taxes	6.5	4.7	1.3	16.2	27.4
Corporate income tax	(1.4)	(1.3)	(0.7)	(6.9)	(9.7)
Deferred corporate income tax	0.4	1.0	1.0	0.4	2.6
Net profit for the period	5.5	4.4	1.6	9.7	20.3
Discontinued operations	(0.8)	2.1	(0.0)	(2.6)	(1.7)
Translation of financial information of foreign operations to presentation currency	0.1	(0.4)	(1.5)	2.5	5.0
Total comprehensive income for the period	4.7	6.2	0.1	9.6	23.6
Net profit before FX and discontinued operations	5.8	4.6	12.7	8.6	26.5
EBITDA	22.7	27.0	42.6	50.7	74.3
Adjusted EBITDA	22.7	27.0	35.2	55.6	71.8

Balance sheet

Assets, EUR mln	2018	2019	2020	2021	2022
ASSETS					
Goodwill	1.7	4.1	6.6	4.2	4.7
Internally generated intangible assets	1.9	3.6	5.9	7.5	8.6
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	288.9
Right-of-use assets	2.4	7.9	7.5	9.1	9.8
Property, plant and equipment	1.0	1.6	2.1	2.5	2.2
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	3.3
Other financial assets	5.8	2.5	2.7	1.8	1.2
Deferred tax asset	0.6	1.6	2.9	2.8	5.6
Inventories	1.7	0.6	1.6	3.8	2.5
Prepaid expense	0.8	1.0	1.9	1.7	2.1
Trade receivables	0.8	1.4	0.8	0.7	0.2
Other receivables	1.3	2.5	6.8	4.5	10.0
Assets of subsidiary held for sale	-	-	9.4	12.9	0.4
Assets held for sale	2.6	1.9	2.1	2.4	5.2
Cash and cash equivalents	6.5	8.7	9.3	10.1	13.8
TOTAL ASSETS	174.3	253.6	279.8	320.0	361.5

Equity & Liabilities, EUR mln	2018	2019	2020	2021	2022
EQUITY					
Share capital	-	1.0	1.0	1.0	1.0
Retained earnings	15.1	21.4	22.9	22.3	40.7
Foreign currency translation reserve	(0.4)	(0.8)	(2.3)	0.2	5.1
Reserve	0.1	0.3	0.3	0.8	1.1
Equity attributable to equity holders of the Company	14.8	21.8	22.0	24.3	47.9
Non-controlling interests	0.5	0.5	0.3	7.1	6.1
Subordinated debt	2.5	6.8	12.1	17.3	19.0
TOTAL EQUITY	17.8	29.1	34.4	48.7	73.0
LIABILITIES					
Borrowings	150.4	215.5	224.4	241.6	261.5
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	1.7
Corporate income tax payable	0.6	0.3	0.8	3.7	4.4
Taxes payable	0.6	1.5	2.0	1.8	2.5
Other liabilities	0.2	2.4	8.6	10.1	12.6
Liability of subsidiary held for sale	-	-	3.9	6.1	0.1
Accrued liabilities	1.8	2.6	3.3	4.2	5.0
Other non-current financial liabilities	0.1	0.1	0.2	0.1	-
TOTAL EQUITY and LIABILITIES	174.3	253.6	279.8	320.0	361.5

Statement of cash flow

EUR mln	2018	2019	2020	2021	2022
Cash flows to/from operating activities					
Profit/(loss) before tax	5.7	6.9	0.9	14.4	25.8
Adjustments for:					
Amortization and depreciation	1.8	3.8	5.7	5.3	8.7
Interest expense	14.2	21.9	26.1	21.4	32.0
Interest income	(54.4)	(72.4)	(83.5)	(94.4)	(170.5)
Loss/(gain) on disposal of property, plant and equipment	0.2	1.0	1.4	2.5	2.8
Impairment expense	17.6	16.7	26.5	28.6	42.4
Gain on acquisition of subsidiaries	-	-	(11.5)	-	-
(Gain)/loss from fluctuations of currency exchange rates	0.3	(0.1)	11.7	0.8	1.2
Operating profit before working capital changes	(14.6)	(22.3)	(22.7)	(21.4)	(57.6)
(Increase)/decrease in inventories	(0.9)	1.1	(1.0)	(2.3)	1.3
(Increase)/decrease in receivables	(53.9)	(66.3)	(24.6)	(55.0)	(72.3)
Increase/(decrease) in trade payable, taxes payable and other liabilities	1.4	(3.2)	2.4	(1.6)	(7.1)
Cash generated to/from operating activities	(68.1)	(84.3)	(45.9)	(80.3)	(135.7)
Interest received	54.3	70.5	83.3	96.7	170.5
Interest paid	(12.4)	(19.4)	(22.6)	(19.8)	(29.1)
Corporate income tax paid	(1.2)	(1.8)	(1.0)	(2.6)	(9.9)
Net cash flows to/from operating activities	(27.4)	(35.0)	13.8	(6.0)	(4.2)

EUR mln	2018	2019	2020	2021	2022
Cash flows to/from investing activities					
Purchase of property, plant and equipment and intangible assets	(1.9)	(5.4)	(4.0)	(5.3)	(5.1)
Purchase of rental fleet	(1.4)	(13.4)	(9.0)	(3.0)	(5.0)
Loan repayments received	1.5	9.2	3.3	6.5	5.7
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)	(0.5)	-
Net cash flows to/from investing activities	(14.4)	(23.4)	(9.3)	(2.3)	(4.4)
Cash flows to/from financing activities					
Proceeds from issue/(repayment) of share premium	-	1.0	-	-	-
Proceeds from borrowings	304.7	108.3	212.8	211.6	190.5
Repayments for borrowings	(259.5)	(47.0)	(216.6)	(198.2)	(177.6)
Repayment of liabilities for right-of-use assets	(1.8)	(1.8)	-	-	-
Dividends paid	(0.1)	-	-	(0.3)	(0.6)
Net cash flows to/from financing activities	43.3	60.5	(3.8)	13.1	12.3
Effect of exchange rates on cash and cash equivalents	(0.2)	0.1	-	-	-
Change in cash	1.3	2.1	0.7	4.8	3.7
Cash at the beginning of the period	5.2	6.5	8.6	9.3	10.1
Cash at the end of the period	6.5	8.7	9.3	14.1	13.8

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 to income ratio**—the sum of selling expense and administrative expense/sum of interest revenue calculated using the effective interest method, fee and commission income and revenue from rent
- **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**—motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, new vehicle subscription in Latvia
- **QOQ/YOY** – comparison between two consecutive quarters/years, e.g., 2021 compared to 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 (run-down)
- **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 (run-down)

Thank you!

Eleving Group

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