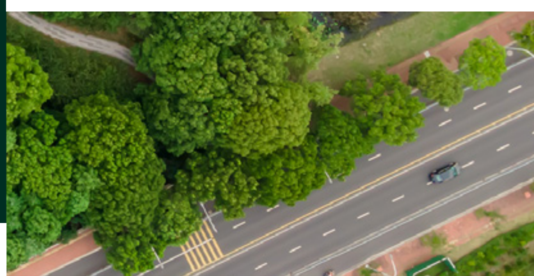
Eleving GROUP

Société Anonyme Eleving Group
(UNIFIED REGISTRATION NUMBER B 174.457)

Unaudited interim condensed consolidated financial statements

for the period ended 30 June 2023

PREPARED IN ACCORDANCE WITH IAS34
Luxembourg, 2023



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General Information

Name of the Parent Company	Eleving Group
Legal status of the Parent Company	Société Anonyme
Unified registration number, place and date of registration	Luxembourg, 18 December 2012
Registered office	8-10 Avenue de la Gare, L-1610, Luxembourg

Major shareholders

	30.06.2023.
SIA AK Family Investments (Latvia)	43.67%
AS Novo Holdings (Latvia)	14.56%
LVS Limited (Malta)	14.56%
AS Obelo Capital (Latvia)	14.56%
Other shareholders	12.65%
TOTAL	**100.00%**

Directors

Modestas Sudnius (type A), from 09.03.2019
Māris Kreics (type A), from 25.07.2018
Attila Senig (type B), from 29.04.2020
Sébastien Jean-Jacques J. François (type B), from 31.10.2022

Financial period

1 January - 30 June 2023

Directors’ Report

Operational and Strategic Highlights

- The Group closed the first half of 2023, recording steady financial performance. The six-month revenues remained relatively unchanged compared to the corresponding period last year, reaching EUR 90.6 mln. Meanwhile, the Group’s net portfolio achieved 1.5% growth QOQ and totaled EUR 294.7 mln

- Diversified business operations and a balanced revenue stream from all three core business lines:

  - Flexible lease and subscription-based products contributed EUR 25.2 mln to the 6M 2023 revenues—up by 7.2% compared to 6M 2022, driven by the solid performance in productive lending in the motorcycle-taxi segment in East Africa and a successful scale-up of rental products in the Baltics;

  - Traditional lease and leaseback products contributed EUR 34.0 mln to the 6M 2023 revenues—up by 7.9% compared to 6M 2022. The respective revenue growth was mainly generated by portfolio growth in Romania; however, nearly all the other of the Group’s markets also experienced positive incremental growth;

  - Revenues from the consumer loan segment contributed EUR 27.6 mln to the 6M 2023 revenues—down by 11.0% compared to 6M 2022. The negative revenue development exclusively stemmed from the run-down of the Ukrainian portfolio, as the revenues of all the other consumer finance markets have increased during the corresponding time span.

- In early July, Eleving Group announced that it had obtained[1] EC Finance Group through the integration and combination of both companies’ equity amounts. EC Finance Group, better known by the product brand name ExpressCredit, is a consumer finance provider operating in four Southern African countries. As a result of the transaction, the Group will take over the company’s assets, subsidiaries, and client portfolio worth EUR 28 mln, and increase the Group’s equity.

- In early July, Renti Plus business operations in Latvia were sold[2] to Transporent Ltd, a Latvian subsidiary of the international mobility services provider SIXT. The respective transaction included a sale of more than 100 vehicles from the Renti Plus fleet and its active customer portfolio. With closing of the deal, the Group will continue to develop its financing services in the retail and SME segments in Latvia, with a primary focus on streamlining existing products.

- The end of Q2 marked the first full year of the Group’s electric car-sharing product’s OX Drive operations in Latvia. Within the first year, the product generated more than half a million euros in revenues and the mobile app was downloaded more than 30k times. Also, the vehicle fleet has increased two-fold since the launch and surpasses the 100-vehicle threshold. Given the high demand for electric vehicle car-sharing services, the Group plans to double its existing electric vehicle fleet by the end of 2023.

- In the ESG space, the Group has continued to expand its electric motorcycle-taxi financing product in Kenya, with 80 units financed during 2023 and a goal of 500 vehicles financed by the end of the year. The same electric motorcycle-taxi financing product is also currently under development in Uganda, with an estimated time of launch towards the end of 2023. Lastly, the Group is proud to share that the 2 million kilometers traveled using OX Drive product has saved the same CO_2 emissions that 10k trees could have captured within one year

Financial Highlights and Progress

- Solid profitability as evidenced by:

  Adjusted EBITDA of EUR 36.1 mln
  (6M 2022: EUR 31.4 mln).

  Adjusted Net Profit before FX of EUR 13.6 mln
  (6M 2022: EUR 9.4 mln).

  Adjusted Net Profit after FX of EUR 12.4 mln
  (6M 2022: EUR 7.8 mln).

- Stable net portfolio of EUR 294.7 mln; Eleving Vehicle Finance and Eleving Consumer Finance accounted for EUR 223.5 mln and EUR 71.2 mln, respectively.

- In late Q2, the Group raised USD 7 mln[3] from Verdant Capital Hybrid Fund in Kenya. The respective investment was structured as a dual-tranche investment comprising USD 5.5 mln senior secured facility and USD 1.5 mln subordinated facility. The purpose of the facility is to grow the existing vehicle financing portfolio as well as to support the introduction of sustainable mobility products in Kenya.

- The Group’s 3-year Latvian bond is maturing in early 2024; hence, the Group and its partners are actively working to frame a new instrument to enter the market during Q3 this year.

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

- The first half of 2023 was closed with a healthy financial position, supported by the capitalization ratio of 27.1% (31 December 2022: 25.8%), ICR ratio of 2.4 (31 December 2022: 2.4), and net leverage of 3.4 (31 December 2022: 3.3), providing an adequate and stable headroom for Eurobond covenants.

[1] Transaction was finalized in early Q3, hence excluded from the Group’s Q2 financials.
[2] Transaction was finalized in early Q3, hence excluded from the Group’s Q2 financials.
[3] Funds were received in early Q3, hence excluded from the Group’s Q2 financials.

Modestas Sudnius,
CEO of Mogo Finance,
commented:

"The 6M 2023 results highlight that Eleving Group has delivered on its promises to its stakeholders and executed its strategy well, recording high efficiency and profitability ratios in the first 6 months of 2023. Over the last 12 months, the company took a more conservative approach and focused on underwriting, portfolio quality, and ensuring that the company is lean and efficient. As a result, the Group sustained a steady net loan portfolio while its key performance and efficiency indicators kept improving.

In the first half of 2023, we observed that customers faced inflation-related difficulties in our EU and African markets. That had an effect on the overall payment discipline. However, this trend did not significantly impact the portfolio quality since, in the previous 12 months, the company's core focus was on a stricter underwriting policy, higher customer down payments, and further improvement of debt collection tools. That, despite economic turbulences, allowed the company to decrease impairment costs compared to the last year. We are committed to maintaining our strategic direction unchanged, which, together with slightly increased pricing to address the changes in the cost of borrowing, should deliver strong results in the following quarters, even in more challenging economic conditions.

One of the key goals which the company had for this year was to explore different growth opportunities outside our existing markets, which culminated with the integration of the ExpressCredit business into the Group's portfolio. This is a solid and mature business operating in four emerging markets in the sub-Saharan region of Africa, offering consumer financing services to government and public administration employees. In the near future, we intend to complete the alignment and integration of the business and its systems, and to optimize the administrative processes, thus increasing the quality of the services offered and the efficiency of the business itself. In the longer term, we also plan to introduce new secured products in these markets.

Lastly, the sale of Renti plus, a new long-term car subscription business, is also worth mentioning. This has been a strategic and well-thought-out decision for us, the underlying motivation being portfolio efficiency. It will enable the company to focus more on developing our financial services in Latvia's retail and SME segments."

Maris Kreics,
CFO of Mogo Finance,
commented:

"The first six months of 2023 show healthy growth in all key business figures. The Group generated revenues of EUR 90.6 mln, with a net portfolio of EUR 294.7 mln. The corresponding adjusted EBITDA for this period stood at EUR 36.1 mln, compared to EUR 31.4 mln from the previous year. Furthermore, the adjusted net profit before FX reached EUR 13.6 mln, which is an increase of EUR 4.2 mln compared to the first half of 2022. Eleving Group is currently enjoying a strong cash position, allowing us to consider new business integrations, as was the case with ExpressCredit.
During the 2Q, the execution of the Group's fundraising strategy and the plans for the global capital markets in the coming months were also very much in focus. We are actively working with our partners to frame a new bond product aimed to be launched in the second half of the year. At the same time, we are continuing the work on country-level local bond issuances and other funding sources. For example, in 2Q, we raised USD 7 mln (approx. EUR 6.4 mln) from Verdant Capital Hybrid Fund. The attracted funds will be used to develop the Group's sustainability-linked products and increase our Kenyan business portfolio. At the same time, the cooperation with Verdant Capital is in line with our African FX strategy. Furthermore, we plan to double our local bond program launched a year ago in Kenya. Today, the investments attracted through this instrument are reaching EUR 13 mln. Furthermore, Fitch has rated our business at B- with a stable outlook. We have managed to keep this rating stable for the third consecutive year despite the Covid-19 setbacks, the war in Ukraine, and the shifts in the global economy. Fitch appreciated that Eleving Group had delivered on its promises to stakeholders and successfully continued its de-leveraging with an even more improved gross debt-to-tangible equity ratio (end-1Q23: 5.1x; end-2021: 7.7x). Another aspect is continuously strong profitability, mainly thanks to high-yielding products and mostly fixed-rate funding in place. Additionally, Eleving Group successfully absorbed negative impacts from its portfolio write-down in Ukraine and scale-down in Belarus, which indicates the overall quality of the Group's portfolio and its high cash generation capabilities. The third factor highlighted by Fitch was the robust funding structure, with the largest EUR 150 mln Eurobond maturing only in 2026 and the availability of flexible capital that can be raised through Mintos marketplace, a Latvian-licensed platform for retail investing in loan products. This rating is a crucial testimony to the soundness and quality of our adopted strategy."

To the best of our knowledge, the condensed set of financial statements which have been prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by the Laws and that the interim management report includes a fair review of the information required under paragraph (4).

Signed on behalf of the Group on 6 September 2023 by:

Maris Kreics,
Type A director

Sébastien Jean-Jacques J. François
Type B director

Consolidated Interim Financial Statements

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Continuing operations		01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Interest revenue	3	84 560 897	85 131 888
Interest expense	4	(17 433 995)	(14 964 294)
Net interest income		**67 126 902**	**70 167 594**
Fee and commission income related to finance lease activities	5	3 828 963	4 018 331
Impairment expense	6	(20 577 052)	(25 819 346)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	7	487 148	2 607
Expenses related to peer-to-peer platform services	8	(462 376)	(460 110)
Revenue from leases	9	2 249 934	2 741 131
Revenue from car sales	10	454 120	129 111
Expenses from car sales	10	(462 840)	(126 989)
Selling expense	11	(3 159 842)	(3 930 563)
Administrative expense	12	(29 265 764)	(29 436 792)
Other operating income	13	762 610	562 625
Other operating expense	14	(4 195 610)	(3 835 406)
Net foreign exchange result	15	(1 118 023)	(1 582 342)
Profit before tax		**15 668 170**	**12 429 851**
Corporate income tax	16	(5 705 314)	(5 787 868)
Deferred corporate income tax	16	2 477 851	1 140 996
Profit from continuing operations		**12 440 707**	**7 782 979**
Discontinued operations			
Profit/(loss) from discontinued operation, net of tax		(190 702)	(967 906)
Profit for the period		**12 250 005**	**6 815 073**
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Translation of financial information of foreign operations to presentation currency		(2 459 768)	4 245 091
Other comprehensive income/(loss)		**(2 459 768)**	**4 245 091**
Total comprehensive income for the year		**9 790 237**	**11 060 164**
Profit is attributable to:			
Equity holders of the Parent Company		9 820 531	5 257 324
Non-controlling interests		2 429 474	1 557 749
Net profit for the year		**12 250 005**	**6 815 073**
Other comprehensive income/(loss) is attributable to:			
Equity holders of the Parent Company		(2 366 800)	4 093 580
Non-controlling interests		(92 968)	151 511
Other comprehensive income/(loss) for the year		**(2 459 768)**	**4 245 091**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director

Consolidated Statement of Financial Position

ASSETS

		30.06.2023. EUR	31.12.2022. EUR
Intangible assets			
Goodwill		4 659 049	4 659 049
Internally generated intangible assets		9 198 024	8 641 438
Other intangible assets		2 300 641	2 411 258
Total intangible assets	17	**16 157 714**	**15 711 745**
Tangible assets			
Right-of-use assets		10 381 419	9 934 629
Rental fleet		10 312 211	10 008 495
Property, plant and equipment		1 920 640	2 202 034
Leasehold improvements		496 635	575 721
Total tangible assets	18	**23 110 905**	**22 720 879**
Non-current financial assets			
Finance lease receivables	19	68 101 164	72 102 729
Loans and advances to customers	20	79 447 077	67 832 121
Loans to related parties	21, 30	3 283 465	3 153 617
Equity-accounted investees	22	312 693	420 622
Other loans and receivables		41 474	267 629
Deferred tax asset		7 478 544	5 593 511
Total non-current financial assets		**158 664 417**	**149 370 229**
TOTAL NON-CURRENT ASSETS		**197 933 036**	**187 802 853**
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale	23	7 275 626	2 480 988
Total inventories		**7 275 626**	**2 480 988**
Receivables and other current assets			
Finance lease receivables	19	56 102 643	61 875 661
Loans and advances to customers	20	80 781 969	81 144 183
Other loans and receivables		691 177	697 177
Prepaid expense		1 944 945	2 108 329
Trade receivables		2 087 318	2 662 513
Other receivables	24	11 504 038	7 296 159
Cash and cash equivalents	25	18 676 551	13 834 837
Total receivables and other current assets		**171 788 641**	**169 618 859**
Assets of subsidiary held for liquidation	26	299 279	378 656
Assets held for sale	27	1 362 839	1 080 351
Total assets held for sale		**1 662 118**	**1 459 007**
TOTAL CURRENT ASSETS		**180 726 385**	**173 558 854**
TOTAL ASSETS		**378 659 421**	**361 361 707**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director

Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

		30.06.2023. EUR	31.12.2022. EUR
Share capital	28	1 000 500	1 000 500
Reserve		1 314 447	1 122 204
Foreign currency translation reserve		2 521 858	4 888 658
Retained earnings/(losses)		42 725 583	38 478 577
brought forward		32 905 052	24 551 752
for the period		9 820 531	13 926 825
Total equity attributable to equity holders of the Parent Company		**47 562 388**	**45 489 939**
Non-controlling interests		11 145 846	8 894 339
TOTAL EQUITY		**58 708 234**	**54 384 278**
LIABILITIES			
Non-current liabilities			
Borrowings	29	211 011 946	212 717 106
Subordinated borrowings	29	18 386 794	18 477 014
Total non-current liabilities		**229 398 740**	**231 194 120**
Provisions		163 793	152 109
Total provisions for liabilities and charges		**163 793**	**152 109**
Current liabilities			
Borrowings	29	71 900 258	60 114 233
Liabilities of subsidiary held for liquidation		30 402	107 292
Prepayments and other payments received from customers		661 205	450 097
Trade payable		1 101 206	1 646 248
Corporate income tax payable		6 441 822	3 934 652
Taxes payable		3 337 356	2 367 101
Other liabilities		2 313 394	1 953 236
Accrued liabilities		4 603 011	5 018 766
Other current financial liabilities		-	39 575
Total current liabilities		**90 388 654**	**75 631 200**
TOTAL LIABILITIES		**319 951 187**	**306 977 429**
TOTAL EQUITY AND LIABILITIES		**378 659 421**	**361 361 707**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director

Consolidated Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Retained earnings/ (Accumulated loss)	Reserve	Total equity attributable to Equity holders of the Parent Company	Non controlling interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Balance at 01.01.2022.	**1 000 000**	**188 769**	**22 265 753**	**812 785**	**24 267 307**	**7 122 787**	**31 390 094**
Profit for the period			5 257 324		5 257 324	1 557 749	6 815 073
Sale of shares to minority interest					-	176 495	176 495
Share capital increase/(decrease)					-	(96 627)	(96 627)
Acquisition of non-controllinginterests (NCI)					-	152 475	152 475
Other comprehensive income		4 093 580			4 093 580	151 511	4 245 091
Total comprehensive income	-	4 093 580	5 257 324	-	9 350 904	1 941 603	11 292 507
Balance at 30.06.2022.	**1 000 000**	**4 282 349**	**27 523 077**	**812 785**	**33 618 211**	**9 064 390**	**42 682 601**
Balance at 01.01.2023.	**1 000 500**	**4 888 658**	**38 478 577**	**1 122 204**	**45 489 939**	**8 894 339**	**54 384 278**
Profit for the reporting year			9 820 531		9 820 531	2 429 474	12 250 005
Sale of minority interest shares			(121 301)		(121 301)	127 614	6 313
Share capital increase/(decrease)						(147 239)	(147 239)
Acquisition of non-controllinginterests (NCI)			15 958			(19 574)	(19 574)
Reserve			(192 243)	192 243	-		-
Dividends distribution			(5 275 939)		(5 275 939)	(45 800)	(5 321 739)
Other comprehensive income		(2 366 800)			(2 366 800)	(92 968)	(2 459 768)
Total comprehensive income	-	(2 366 800)	4 247 006	192 243	2 072 449	2 251 507	4 323 956
Balance at 30.06.2023.	**1 000 500**	**2 521 858**	**42 725 583**	**1 314 447**	**47 562 388**	**11 145 846**	**58 708 234**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director

Consolidated Statement of Cash Flows

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Profit before tax	15 477 468	11 461 945
Adjustments for:		
Amortization and depreciation	4 256 193	4 025 667
Interest expense	17 433 995	14 961 563
Interest income	(84 560 897)	(85 131 888)
Loss on disposal of property, plant and equipment	555 032	956 695
Impairment expense	20 089 904	25 364 845
Loss from fluctuations of currency exchange rates	3 577 791	(1 534 369)
Operating profit before working capital changes	**(23 170 514)**	**(29 895 542)**
Decrease/(increase) in inventories	(4 794 638)	(272 932)
Increase in finance lease receivables, loans and advances to customers and other current assets	(30 955 282)	(47 950 365)
Increase/(decrease) in accrued liabilities	(404 071)	401 120
Increase/(decrease) in trade payable, taxes payable and other liabilities	789 794	(696 439)
Cash generated to/from operations	**(58 534 711)**	**(78 414 158)**
Interest received	84 560 897	85 156 952
Interest paid	(15 365 155)	(15 263 480)
Corporate income tax paid	(2 734 228)	(5 245 273)
Net cash flows to/from operating activities	**7 926 803**	**(13 765 959)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(2 426 452)	(4 185 987)
Purchase of rental fleet	(2 962 408)	(3 109 045)
Loan repayments received	122 245	4 799 477
Net cash flows to/from investing activities	**(5 266 615)**	**(2 495 555)**
Cash flows to/from financing activities		
Proceeds from borrowings	81 426 839	94 272 286
Repayments for borrowings	(72 301 260)	(72 925 475)
Repayment of liabilities for right-of-use assets	(1 622 314)	(1 882 256)
Dividends paid	(5 321 739)	-
Net cash flows to/from financing activities	**2 181 526**	**19 464 555**
Change in cash	**4 841 714**	**3 203 041**
Cash at the beginning of the year	13 834 837	10 127 087
Cash at the end of the year	**18 676 551**	**13 330 128**

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director

Notes to the Consolidated Financial Statements

1. Corporate information

Eleving Group S.A. (hereinafter "the Parent Company") is a Luxembourg company incorporated on December 18, 2012 as a Société Anonyme for an unlimited duration, subject to general company law.

The consolidated financial statements of the Group include:

Subsidiary name	Country of incorporation	Registration number	Principal activities	% equity interest	
				30.06.2023.	31.12.2022.
Mogo Sp. z o.o.	Poland	7010514253	Financing	100.00%	100.00%
Mogo Balkans and Central Asia AS	Latvia	40203150045	Management services	100.00%	100.00%
Mogo Leasing d.o.o.	Bosnia	4202540500009	Financing	100.00%	100.00%
Pocco Finance Sp. z.o.o.	Poland	0000830343	Management services	100.00%	100.00%
Eleving Finance AS	Latvia	40203150030	Management services	98.70%	98.70%
Eleving Vehicle Finance AS	Latvia	42103088260	Management services	98.53%	98.50%
Primero Finance OÜ	Estonia	12401448	Financing	98.53%	98.50%
Mogo LLC	Georgia	404468688	Financing	98.53%	98.50%
Mogo UCO LLC	Armenia	42	Financing	98.53%	98.50%
Longo LLC	Armenia	286.110.1015848	Retail of motor vehicles	98.53%	98.50%
Eleving Luna AS	Latvia	40203145805	Management services	98.53%	98.50%
Mogo LT UAB	Lithuania	302943102	Financing	89.11%	100.00%
Mogo Oy	Finland	3263702-2	Financing	89.11%	98.50%
Rentiplus OÜ	Estonia	16455100	Retail of motor vehicles	89.11%	98.50%
Longo Georgia LLC	Georgia	402095166	Retail of motor vehicles	89.11%	98.50%
Mogo IFN SA	Romania	35917970	Financing	89.11%	86.19%
Eleving Stella AS	Latvia	40103964830	Management services	89.11%	86.19%
Eleving Stella LT UAB	Lithuania	305018069	Management services	89.11%	86.19%
Rocket Leasing OOO	Belarus	193553071	Financing	89.11%	86.19%
Renti UAB	Lithuania	305653232	Financing	89.11%	84.46%
Renti AS	Latvia	40203174147	Rent services	86.44%	84.46%
Mogo AS	Latvia	50103541751	Financing	86.44%	84.46%
Mogo Loans SRL	Moldova	10086000260223	Financing	86.38%	86.19%
Eleving Solis AS	Latvia	40203182962	Management services	86.17%	86.81%
Eleving Solis UAB	Lithuania	304991028	Management services	86.17%	86.81%
MOGO LOANS SMC LIMITED	Uganda	80020001522601	Financing	86.17%	86.81%
Mogo Auto Ltd	Kenya	PVT-AJUR7BX	Financing	86.17%	86.81%
Mogo Kenya Ltd	Kenya	PVT-BEU3ZKD	Financing	86.17%	86.81%
Mogo Lend LTD	Uzbekistan	305723654	Financing	85.39%	86.03%
Autotrade OOO	Belarus	192846476	Other services	85.19%	86.19%
MOGO Kredit LLC	Belarus	192981714	Financing	85.19%	86.19%
Eleving Consumer Finance Holding AS	Latvia	40203249386	Management services	81.74%	82.46%
TIGO Finance DOOEL Skopje	North Macedonia	7229712	Financing	79.37%	78.62%
Kredo Finance SHPK	Albania	L71610009A	Financing	78.27%	78.95%
Eleving Consumer Finance AS	Latvia	54103145421	Management services	78.12%	78.62%
Insta Finance LLC	Ukraine	43449827	Financing	78.12%	78.62%
Next Fin LLC	Ukraine	42273138	Financing	78.12%	78.62%
Hima Finance	Armenia	286.110.1121811	Management services	78.12%	78.62%
OCN SE Finance SRL	Moldova	1020600028773	Financing	75.20%	75.68%
OCN Sebo Credit SRL	Moldova	1017600000371	Financing	74.98%	75.68%
Spaceship SIA	Latvia	40203300224	Retail of motor vehicles	58.96%	50.24%

2. Summary of significant accounting policies

Basis of preparation

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

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

These interim consolidated annual financial statements for the period ended 30 June 2023 are prepared in accordance with IAS34.

The Group's consolidated annual financial statements and its financial result are affected by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the annual consolidated financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The consolidated financial statements are prepared on a historical cost basis as modified by the recognition of financial instruments measured at fair value, except for inventory which is accounted in net realizable value and contingent consideration that has been measured at fair value.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

The Group's presentation currency is euro (EUR). The financial statements cover the period from 1 January 2023 till 30 June 2023. Accounting policies and methods are consistent with those applied in the previous years.

3. Interest revenue

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Interest income from finance lease receivables	52 174 629	58 418 925
Interest income from loans and advances to customers	32 017 501	26 438 986
Other interest income	368 767	273 977
TOTAL:	**84 560 897**	**85 131 888**

4. Interest expense

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Interest expense on issued bonds	11 511 079	10 181 588
Interest expenses for loans from P2P platform investors	4 763 697	3 223 584
Interest expenses for bank liabilities and related parties	797 970	1 323 215
Interest expenses for lease liabilities	361 249	235 907
TOTAL:	**17 433 995**	**14 964 294**

5. Fee and commission income related to finance lease activities

Revenue from contracts with customers recognized point in time:	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Income from penalties received	3 608 383	3 669 057
Income from commissions	1 440 034	1 497 570
TOTAL:	**5 048 417**	**5 166 627**

Revenue from contracts with customers recognized point in time where the Group acted as an agent:	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Gross income from debt collection activities	1 224 413	837 052
Gross expenses from debt collection activities	(2 443 867)	(1 985 348)
TOTAL:	**(1 219 454)**	**(1 148 296)**
Total fees and commissions income:	**3 828 963**	**4 018 331**

6. Impairment expense

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Change in impairment in finance lease	6 115 536	7 326 745
Change in impairment in loans and advances to customers	3 780 810	13 414 458
Change in impairment in rental fleet	-	(214 867)
Written off debts	10 680 706	5 293 010
TOTAL:	**20 577 052**	**25 819 346**

7. Net gain/(loss) from de-recognition of financial assets measured at amortized cost

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Financial lease		
Income arising from cession of financial lease receivables to non related parties	2 065 287	1 348 059
Loss arising from cession of financial lease receivables to non related parties	(922 647)	(464 338)
TOTAL:	**1 142 640**	**883 721**
Loans and advances to customers		
Income arising from cession of loans and advances to customers receivables to non related parties	326 174	457 510
Loss arising from cession of loans and advances to customers receivables to non related parties	(981 666)	(1 338 624)
TOTAL:	**(655 492)**	**(881 114)**

8. Expenses related to peer-to-peer platform services

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Service fee for using P2P platform	462 376	460 110
TOTAL:	**462 376**	**460 110**

9. Revenue from leases

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Revenue from operating lease	2 249 934	2 741 131
TOTAL:	**2 249 934**	**2 741 131**

10. Revenue from car sales

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Income from sale of vehicles	454 120	129 111
TOTAL:	**454 120**	**129 111**

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Expenses from sale of vehicles	(462 840)	(126 989)
TOTAL:	**(462 840)**	**(126 989)**
Total Net revenue from contracts with customers recognized point in time	**(8 720)**	**2 122**

11. Selling expense

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Online marketing expenses	683 808	817 227
TV advertising	250 347	378 824
Radio advertising	75 645	96 249
Other marketing expenses	635 099	851 665
Total marketing expenses	*1 644 899*	*2 143 965*
Other selling expenses	1 514 943	1 786 598
TOTAL:	**3 159 842**	**3 930 563**

12. Administrative expense

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Employees' salaries	16 245 747	16 514 290
Amortization and depreciation	4 256 193	4 025 667
IT services	1 529 079	952 890
Office and branches' maintenance expenses	1 407 120	1 254 914
Professional services	1 363 413	1 364 870
GPS equipment expenses	876 974	686 073
Communication expenses	678 559	580 266
Bank commissions	457 478	603 194
Business trip expenses	411 763	305 107
Credit database expenses	358 073	447 869
Transportation expenses	283 432	173 097
Insurance expenses	257 789	195 870
Other personnel expenses	249 356	169 588
Expenses from disposal of rental fleet and other fixed assets	190 247	658 956
Low value equipment expenses	89 238	116 650
Employee recruitment expenses	66 789	111 667
Real estate tax	5 001	5 167
Donations	1 540	160 923
Other administration expenses	537 973	1 109 734
TOTAL:	**29 265 764**	**29 436 792**

13. Other operating income

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Income from management services	163 600	11 225
Other operating income	599 010	551 400
TOTAL:	**762 610**	**562 625**

14. Other operating expense

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Non-deductible VAT from management services	1 422 094	1 405 013
Withholding tax expenses	566 703	766 099
Provision expenses for possible withholding tax liabilities	799 095	748 598
Credit default swap expenses	554 775	419 557
Other operating expenses	852 943	496 139
TOTAL:	**4 195 610**	**3 835 406**

15. Net foreign exchange result

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Currency exchange gain	854 082	(7 139 152)
Currency exchange loss	263 941	8 721 494
TOTAL:	**1 118 023**	**1 582 342**

16. Corporate income tax

	01.01.2023. - 30.06.2023. EUR	01.01.2022. - 30.06.2022. EUR
Current corporate income tax charge for the reporting year	5 705 314	5 787 868
Deferred corporate income tax due to changes in temporary differences	(2 477 851)	(1 140 996)
Corporate income tax charged to the income statement:	**3 227 463**	**4 646 872**

17. Intangible assets

	Goodwill	Internally generated intangible asets	Trademarks	Other intangible assets	**TOTAL**
Cost	4 207 155	11 796 382	2 151 085	718 310	**18 872 932**
Accumulated amortization	-	(4 265 806)	-	(134 981)	**(4 400 787)**
As at 1 January 2022	**4 207 155**	**7 530 576**	**2 151 085**	**583 329**	**14 472 145**
2022					
Additions	-	3 882 908	-	(63 105)	**3 819 803**
Reclassified from assets held for sale (cost)	451 894	21 005	-	4 691	**477 590**
Disposals (cost)	-	(726 938)	-	(256 248)	**(983 186)**
Exchange difference, net	-	(183 725)	-	6 345	**(177 380)**
Amortization charge	-	(1 883 396)	-	(44 274)	**(1 927 670)**
Disposals (amortization)	-	344 032	-	36 125	**380 157**
Reclassified from assets held for sale (amortization)	-	(21 005)	-	(1 428)	**(22 433)**
Impairment	-	(365 033)	-	-	**(365 033)**
Exchange difference, net	-	43 014	-	(5 262)	**37 752**
Cost	4 659 049	14 789 632	2 151 085	409 993	**22 009 759**
Accumulated amortization	-	(6 148 194)	-	(149 820)	**(6 298 014)**
As at 31 December 2022	**4 659 049**	**8 641 438**	**2 151 085**	**260 173**	**15 711 745**
2023					
Additions	-	1 835 563	-	108 278	**1 943 841**
Disposals (cost)	-	(149 561)	-	(199 781)	**(349 342)**
Exchange difference, net	-	51 383	-	(1 257)	**50 126**
Amortization charge	-	(1 073 754)	-	(23 737)	**(1 097 491)**
Disposals (amortization)	-	1 479	-	4 962	**6 441**
Impairment	-	(53 434)	-	-	**(53 434)**
Exchange difference, net	-	(55 090)	-	918	**(54 172)**
Cost	4 659 049	16 527 017	2 151 085	317 233	**23 654 384**
Accumulated amortization	-	(7 328 993)	-	(167 677)	**(7 496 670)**
As at 30 June 2023	**4 659 049**	**9 198 024**	**2 151 085**	**149 556**	**16 157 714**

Split of goodwill per cash generating unit: Name	30.06.2023. EUR	31.12.2022. EUR
TIGO Finance DOOEL Skopje (North Macedonia)	3 000 276	3 000 276
UAB mogo (Lithuania)	646 063	646 063
OU mogo (Estonia)	451 894	451 894
AS mogo (Latvia)	298 738	298 738
Mogo UCO (Armenia)	182 028	182 028
Mogo LLC (Georgia)	80 050	80 050
	4 659 049	**4 659 049**

Each cash generating unit represents a subsidiary of the Group.

Goodwill impairment test

As at 30 June 2023, goodwill was tested for impairment.

The goodwill impairment test was performed for each cash generating unit separately.

The recoverable amounts for each unit was calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing activities of the units. No impairment losses were recognized because the recoverable amounts of these units including the goodwill allocated were determined to be higher than their carrying amounts. The calculations of value-in-use were based on free cash flow to equity approach to each unit respectively, discounted by estimated cost of equity. The value-in-use calculations are most sensitive to projected operating cash-flow, terminal growth rates used to extrapolate cash flows beyond the budget period, and discount rates. Projected operating cash-flow figures were based on detailed financial models.

6 months actual figures were used as a starting point in these models, and took into account management's expectations of the future performance of each unit.

Four years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity was determined to be 1%. The rate was estimated by management based on historical trends observed in existing markets, and expected Group and industry developments.

Discount rates reflect the current market assessment of the risk specific to each unit.

Sensitivity analysis was performed to assess changes to key assumptions that could influence whether the carrying value of the units exceeded their recoverable amounts. The results of this analysis indicate that for all units, the recoverable amount would not be below the carrying amount including goodwill (i.e. goodwill would not become impaired), if terminal growth rates decreased by 0.5% and discount rates increased by 10%.

18. Property, plant and equipment and Right-of-use assets

	Right-of-use premises	Right-of-use motor vehicles	Total Right-of-use assets	Rental fleet	Other property, plant and equipment	TOTAL
Cost	13 062 785	248 210	13 310 995	14 993 423	6 254 610	**34 559 028**
Accumulated depreciation	(4 125 973)	(89 327)	(4 215 300)	(4 293 285)	(3 136 316)	**(11 644 901)**
As at 1 January 2022	**8 936 812**	**158 883**	**9 095 695**	**10 700 138**	**3 118 294**	**22 914 127**
2022						
Additions	5 391 457	146 069	5 537 526	4 978 257	1 250 598	**11 766 381**
Disposals (cost)	(3 618 915)	(93 616)	(3 712 531)	(5 964 303)	(768 485)	**(10 445 319)**
Reclassified from assets held for sale (cost)	104 970	27 840	132 810	-	78 400	**211 210**
Exchange difference, net	157 315	(1 118)	156 197	-	132 100	**288 297**
Depreciation charge	(2 909 860)	(76 177)	(2 986 037)	(1 925 938)	(1 386 864)	**(6 298 839)**
Disposals (depreciation)	1 762 935	88 418	1 851 353	1 695 345	524 328	**4 071 026**
Reclassified to assets held for sale (amortization)	(49 321)	(6 116)	(55 437)	-	(61 406)	**(116 843)**
Impairment	-	-	-	524 996	-	**524 996**
Exchange difference, net	(85 211)	264	(84 947)	-	(109 210)	**(194 157)**
Cost	15 097 612	327 385	15 424 997	14 007 377	6 947 223	**36 379 597**
Accumulated depreciation	(5 407 430)	(82 938)	(5 490 368)	(3 998 882)	(4 169 468)	**(13 658 718)**
As at 31 December 2022	**9 690 182**	**244 447**	**9 934 629**	**10 008 495**	**2 777 755**	**22 720 879**
2023						
Additions	2 529 275	5 778	2 535 053	2 962 408	482 612	**5 980 073**
Disposals (cost)	(733 223)	(11 038)	(744 261)	(2 860 652)	(184 497)	**(3 789 410)**
Exchange difference, net	(465 828)	(2 204)	(468 032)	-	(179 312)	**(647 344)**
Depreciation charge	(1 474 878)	(42 683)	(1 517 561)	(821 806)	(620 503)	**(2 959 870)**
Disposals (depreciation)	555 920	8 252	564 172	1 023 766	97 005	**1 684 943**
Impairment	-	-	-	-	-	**-**
Exchange difference, net	76 150	1 269	77 419	-	44 215	**121 634**
Cost	16 427 836	319 921	16 747 757	14 109 133	7 066 026	**37 922 916**
Accumulated depreciation	(6 250 238)	(116 100)	(6 366 338)	(3 796 922)	(4 648 751)	**(14 812 011)**
As at 30 June 2021	**10 177 598**	**203 821**	**10 381 419**	**10 312 211**	**2 417 275**	**23 110 905**

19. Finance Lease Receivables

Finance lease receivables, net	Non-Current 30.06.2023. EUR	Current 30.06.2023. EUR	Non-Current 31.12.2022. EUR	Current 31.12.2022. EUR
Finance lease receivables	72 934 429	66 361 064	75 865 620	68 550 352
Accrued interest and handling fee	-	11 441 509	-	9 991 965
Fees paid and received upon lease disbursement	(243 932)	(220 411)	(250 177)	(226 054)
Impairment allowance	(4 589 333)	(21 479 519)	(3 512 714)	(16 440 602)
	68 101 164	**56 102 643**	**72 102 729**	**61 875 661**

Transactions with peer-to-peer platforms

From year 2016 Group started placing lease agreement receivables on peer-to-peer lending platform. Agreements were offered with buy back guarantee, which means that all risks of such agreements remain with the Group and in case of client default the Group has the liability to repay the whole remaining principal and accrued interest to P2P investor. By using the same platform Group also offered loans without buy back guarantee, which means that all risks related to client default were transferred to P2P investor. Portions of agreements purchased by investors therefore are considered as financial assets eligible for derecognition from Group statement of financial position.

Total gross portfolio and associated liabilities for the portfolio derecognized from Group financial assets were:

	30.06.2023. EUR	31.12.2022. EUR
Non-current		
Finance lease receivable	-	15 618
Associated liabilities	-	(15 618)
NET POSITION:	**-**	**-**
Current		
Finance lease receivable	-	16 169
Associated liabilities	-	(16 169)
NET POSITION:	**-**	**-**
Total gross portfolio derecognized from Group's financial assets	-	31 787
Total associated liabilities	-	(31 787)
	-	**-**

20. Loans and advances to customers

	Non-Current 30.06.2023. EUR	Current 30.06.2023. EUR	Non-Current 31.12.2022. EUR	Current 31.12.2022. EUR
Loans and advances to customers	87 397 484	125 692 547	75 784 960	124 304 596
Accrued interest	-	17 097 158	-	16 145 185
Fees paid and received upon loan disbursement	(584 992)	(959 520)	(994 466)	(1 631 150)
Impairment allowance	(7 365 415)	(61 048 216)	(6 958 373)	(57 674 448)
	79 447 077	**80 781 969**	**67 832 121**	**81 144 183**

21. Loans to related parties

Non current	*Interest rate per annum (%)*	*Maturity*	30.06.2023. EUR	31.12.2022. EUR
Loans to related parties	10.5%	2027	3 333 192	3 203 344
Impairment allowance			(49 727)	(49 727)
		TOTAL:	**3 283 465**	**3 153 617**

22. Equity-accounted investees

	30.06.2023. EUR	31.12.2022. EUR
Investments in associates	312 693	420 622
TOTAL:	**312 693**	**420 622**

23. Finished goods and goods for resale

	30.06.2023. EUR	31.12.2022. EUR
Advance payments to vehicle dealerships	4 972 625	2 069 211
Acquired vehicles for purpose of selling them to customers	2 241 169	196 808
Other inventory	61 832	214 969
TOTAL:	**7 275 626**	**2 480 988**

This non-financial asset is not impaired as of 30.06.2023. (31.12.2022.: 0 EUR).

24. Other receivables

	30.06.2023. EUR	31.12.2022. EUR
Other receivables		
Overpaid VAT from subsidiary in Latvia	437 914	447 134
Impairment allowance for overpaid VAT	(437 914)	(447 134)
Net overpaid VAT	-	-
CIT paid in advance	5 045 096	4 174 686
Overpaid VAT in other subsidiaries	2 383 876	689 126
Accrued income from currency hedging transactions	1 379 537	434 696
Disputed tax audit measurement in Georgia	940 041	940 041
Security deposit for office lease	368 265	364 348
Receivables for payments received from customers through online payment systems	239 152	255 909
Advances to employees	18 104	19 461
Other debtors	1 700 949	1 205 291
Impairment allowance for 'Other debtors'	(570 982)	(787 399)
TOTAL:	**11 504 038**	**7 296 159**

All receivables are expected to be paid within the following year, except VAT overpayment where uncertainty of date of settlement is unclear due to ongoing litigation process in Latvia.

This resulted in full settlement of payable VAT and recognition of VAT overpayment. Considering the uncertainty the Group has decided to recognize the impairment provision in full amount for VAT receivable in the statement of financial position and additional provisions in amount of VAT payable settled by VAT return adjustment and related penalties.

25. Cash and cash equivalents

	30.06.2023. EUR	31.12.2022. EUR
Cash at bank	17 859 929	13 132 865
Cash on hand	816 622	701 972
TOTAL:	**18 676 551**	**13 834 837**

The Group has not created an ECL allowances for cash and cash equivalents on the basis that placements with banks are of short term nature and the lifetime of these assets under IFRS 9 is so short that the low probability of default would result in immaterial ECL amounts (2022: EUR 0).

26. Disposal groups held for liquidation

In 2021 management decided to initiate the liquidation of several entities in Poland and Bosnia&Herzegovina. Accordingly, several entities are presented as a disposal group held for liquidation.

Three companies are classified as held for sale:

- Mogo Sp. z o.o., Poland
- Mogo Leasing d.o.o., Bosnia&Herzegovina
- Pocco Finance Sp. z o.o., Poland

Assets and liabilities of disposal groups held for sale	30.06.2023. EUR	31.12.2022. EUR
ASSETS		
Mogo Leasing d.o.o., Bosnia&Herzegovina	185 701	362 262
Mogo Sp. z o.o., Poland	113 378	16 173
Pocco Finance Sp. z o.o., Poland	200	221
TOTAL ASSETS OF SUBSIDIARIES HELD FOR SALE	**299 279**	**378 656**
LIABILITIES		
Mogo Sp. z o.o., Poland	18 691	94 698
Mogo Leasing d.o.o., Bosnia&Herzegovina	11 628	12 515
Pocco Finance Sp. z o.o., Poland	83	79
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE	**30 402**	**107 292**

27. Assets held for sale

	30.06.2023. EUR	31.12.2022. EUR
Repossessed collateral	1 362 839	1 080 351
	1 362 839	**1 080 351**

Repossessed collaterals are vehicles taken over by the Group in case of default by the Group's clients on the related lease agreements. After the default of the client, the Group has the right to repossess the vehicle and sell it to third parties. The Group does not have the right to repossess, sell or pledge the vehicle in the absence of default by Group's clients. The Group usually sells the repossessed vehicles within 90 days after repossession. There are no balances left unsold from previous reporting period.

28. Share capital

The subscribed share capital of the Group amounts to EUR 1 000 500 and is divided into 100 050 000 shares fully paid up.
The movements on the Share capital caption during the year are as follows:

	Share capital EUR	Number of class A Shares	Total number of Shares
Opening balance as at 1 January 2022	**1 000 000**	**100 000 000**	**100 000 000**
Subscriptions	500	50 000	50 000
Redemptions	-	-	-
Closing balance as at 31 December 2022	**1 000 500**	**100 050 000**	**100 050 000**
Opening balance as at 1 January 2023	**1 000 500**	**100 050 000**	**100 050 000**
Subscriptions	-	-	-
Redemptions	-	-	-
Closing balance as at 30 June 2023	**1 000 500**	**100 050 000**	**100 050 000**

29. Borrowings

Non-current

Subordinated borrowings	*Interest rate per annum (%)*	*Maturity*	30.06.2023. EUR	31.12.2022. EUR
Eleving Group S.A. subordinated bonds nominal value	12%+6m Euribor	29.12.2031	18 830 000	18 956 000
Bonds acquisition costs			(443 206)	(478 986)
		TOTAL:	**18 386 794**	**18 477 014**

Bonds	*Interest rate per annum (%)*	*Maturity*	30.06.2023. EUR	31.12.2022. EUR
Eleving Group S.A. bonds nominal value	9.5%	18.10.2026	149 555 676	149 680 000
Mogo AS bonds nominal value	11%	31.03.2024	30 000 000	29 196 000
Bond additional interest accrual			127 718	86 833
Bonds acquisition costs			(4 168 399)	(4 831 596)
		TOTAL:	**175 514 995**	**174 131 237**

Other borrowings	*Interest rate per annum (%)*	*Maturity*	30.06.2023. EUR	31.12.2022. EUR
Long term loans from banks	7.8%-12.75%	February 2024	1 044 670	1 191 007
Lease liabilities for rent of premises	2%-12%	up to 10 years	7 139 306	7 115 543
Lease liabilities for rent of vehicles	2%-12%	up to 3 years	17 459	178 449
Financing received from P2P investors	4.5% - 15.5%	up to 30.06.2028.	26 810 027	27 727 346
Lease liabilities for acquired rental fleet	2.9%-5.4%	up to 5 years	542 105	2 307 245
Other borrowings	9.5%-15%	2024-2025	100 000	198 184
Loan acquisition costs			(156 616)	(131 905)
		TOTAL:	**35 496 951**	**38 585 869**
TOTAL NON CURRENT BORROWINGS:			**229 398 740**	**231 194 120**

Current

Other borrowings	*Interest rate per annum (%)*	*Maturity*	30.06.2023. EUR	31.12.2022. EUR
Financing received from P2P investors	4.5% - 15.5%	up to 30.06.2028.	40 661 298	39 919 916
Accrued interest for financing received from P2P investors			446 486	489 376
Short term loans from banks	4.68%-12.75%	December 2023	7 551 461	4 304 951
Accrued interest for loans from banks			40 330	60 914
Lease liabilities for rent of premises	2%-12%	up to 10 years	3 124 560	2 659 706
Accrued interest for bonds			2 839 523	2 930 892
Short term loans from non related parties	16%-22%	July 2023	1 302 018	1 462 811
Accrued interest for loans from non related parties			27 252	32 516
Short term borrowings in Kenya	8%-18%	August 2024	12 912 303	7 289 026
Accrued interest for short term borrowings in Kenya			319 114	188 268
Lease liabilities for acquired rental fleet	0.1	up to 5 years	2 122 589	633 063
Lease liabilities for rent of vehicles	2%-12%	up to 3 years	369 250	142 794
Other borrowings			184 074	-
		TOTAL:	**71 900 258**	**60 114 233**

30. Related party disclosures

The income and expense items with related parties for 2023 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	169 235	-
Sale of finance lease receivables to associated entities	-	1 008 330
Management services provided to associated entities	-	137 685

The income and expense items with related parties for 2022 were as follows:

Related party	Shareholder controlled companies EUR	Other related parties EUR
Interest income	168 449	-
Interest expenses	(367 097)	-
Management services provided to associated entities	-	96 615

The receivables and liabilities with related parties as at 30.06.2023. and 31.12.2022. were as follows:

	30.06.2023. EUR	31.12.2022. EUR
Amounts owed by related parties		
Loans to related parties	3 283 465	3 153 617
Trade receivables	55 716	180 899
Amounts owed to related parties		
Unpaid dividends	-	94 269
Payables to related parties	800	350 625

Movement in amounts owed by related parties	Amounts owed by related parties EUR
Amounts owed by related parties as of 01 January 2022	6 735 013
Receivables covered in period	(3 400 497)
Amounts owed by related parties as of 31 December 2022	3 334 516
Amounts owed by related parties as of 01 January 2023	3 334 516
Receivables increased in period	4 665
Amounts owed by related parties as of 30 June 2023	3 339 181

Movement in amounts owed to related parties	Amounts owed to related parties EUR
Amounts owed to related parties as of 01 January 2022	17 606 094
Loans received in period	1 777 816
Loans repaid/settled in period	(19 078 054)
Interest calculated in period	7 776
Interest repaid/settled in period	(7 776)
Change in other payables	44 769
Dividends calculated for minority shareholders	629 792
Dividends paid to minority shareholders	(535 523)
Amounts owed to related parties as of 31 December 2022	444 894
Amounts owed to related parties as of 01 January 2023	444 894
Change in other payables	(349 825)
Dividends calculated for minority shareholders	45 800
Dividends paid to minority shareholders	(140 069)
Amounts owed to related parties as of 30 June 2023	800

31. Commitments and contingencies

Externally imposed regulatory capital requirements

The Group considers both equity capital as well as borrowings a part of its overall capital risk management strategy.

The Group is subject to externally imposed capital requirements in several countries. The main requirements are listed below:

Albania

Acquired license on performing financing activities requires to maintain amount of equity at all times not lower than 10% of the total assets of the entity. Management of the Group monitors and increases the share capital if needed to satisfy this requirement.

Armenia

Acquired license on performing financing activities require:
1) To maintain minimum amount of statutory capital of 150mln AMD;
2) To maintain minimum amount of total capital of 150mln AMD;
3) To maintain minimum ratio of amounts of total capital and risk-weighted assets at 10%.
Management of the Group monitors and increases the share capital if needed to satisfy this requirement.

Romania

Acquired license on performing financing activities require to ensure the level of equity is not less than company's finance receivables portfolio divided 15 times. Management of the Group monitors and increases the share capital or issues subordinated loans l if needed to satisfy this requirement.

North Macedonia

Loan portfolio limit is set as Share capital multiplied with 10.

Moldova

The non-bank credit organization is required to hold and maintain its own capital in relation to the value of the assets at any date in the amount of at least 5%.

Cooperation agreement with P2P platforms

Cooperation agreements with P2P platforms require to maintain positive amount of equity at all times in Albania, Armenia, Estonia, Georgia, Kenya, Latvia, Lithuania, Moldova, North Macedonia and Romania. Management of the Group monitors and increases the share capital if needed to satisfy this requirement.

The Group is subject to additional financial covenants relating to its attracted funding through P2P platform. Group is regularly monitoring respective indicators and ensures that covenants are satisfied. The Group is in compliance with these covenants at 31 December 2022 and 31 December 2021 and during the years.

Eleving Group S.A. bonds

There are restrictions in the prospectus for the bonds issued on the Frankfurt Stock exchange (ISIN (XS2393240887)). These financial covenants are the following:
(a) the Interest Coverage Ratio for the Relevant Period is at least 1.25;
(b) the Capitalization Ratio for the Relevant Period is at least 15%; and
(c) the Consolidated Net Leverage Ratio for the Relevant Period does not exceed 6.00x.

There are other limitations regarding additional and permitted debt, restricted and permitted payments, permitted loans and securities.

The Group is in compliance with all covenants during the entire reporting period.

Mogo AS bonds

There are restrictions in the prospectus for the bonds issued on the Nasdaq Baltic (ISIN: LV0000802452), namely, until the date of repayment thereof, Eleving Group shall undertake to maintain the following financial covenants:
(a) The Capitalization Ratio shall in any case be at least 15.00 per cent;
(b) The Interest Coverage Ratio shall be at least 1.25, calculated on twelve (12) consecutive calendar months.

During the reporting period the Group complied with all externally imposed capital requirements to which it was subjected to.

Other contingent liabilities and commitments

1) On 29 September 2017 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favour of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 29 September 2017.

2) On 2 November 2017 the subsidiary in Armenia Mogo UCO LLC entered into a pledge agreement over deposit and right of claim with Ardshinbank CJSC, establishing a pledge over the funds in the bank accounts of Mogo UCO LLC in favour of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

31. Commitments and contingencies (continued)

3) On 26 February 2018 the subsidiary in Latvia mogo AS entered into a surety agreement with Ardshinbank CJSC and Mogo LLC, in order to secure Mogo LLC obligations towards Ardshinbank CJSC deriving from loan agreement concluded between Ardshinbank CJSC and Mogo LLC on 26 February 2018. The principal amount of the loan agreement is EUR 1 000 000.

4) Starting from 14 October 2021 Eleving Group and certain of its Subsidiaries entered into several pledge agreements with TMF Trustee Services GmbH, establishing pledge over shares of those Subsidiaries, pledge over present and future loan receivables of those Subsidiaries, pledge over trademarks of those Subsidiaries, general business pledge over those Subsidiaries, pledge over primary bank accounts if feasible, in order to secure Eleving Group obligations towards bondholders deriving from Eleving Group bonds (ISIN: XS2393240887). Subsequently additional pledgors were added who became material (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) according to terms and conditions of the bonds.

5) Starting from 14 October 2021 Eleving Group as Issuer and certain of its Subsidiaries (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) as Guarantors have entered into a guarantee agreement dated 14 October 2021 (as amended and restated from time to time) according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group bonds (ISIN: XS2393240887) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group bonds (ISIN: XS2393240887) offering memorandum.

6) On 27 November 2018 the subsidiary in Armenia Mogo UCO LLC entered into an agreement on pledge of right of claim and funds with Ardshinbank CJSC, pledging Mogo UCO LLC right of claim and funds, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 27 November 2017.

7) On 11 December 2018 the subsidiary in Latvia - mogo AS issued a payment guarantee No.2018.12.05 for the benefit of third party with a maximum liability not exceeding EUR 200 000, where the liability of mogo AS is limited to the performance of other subsidiary's AS Eleving Luna obligations from the secured agreement with this party.

8) On 12 December 2018 the subsidiary in Latvia - mogo AS issued guarantee letters for the benefit of SIA Skanste City (previously SWH Grupa JSC) to secure other Subsidiary Eleving Vehicle Finance JSC (previously Mogo Group JSC) obligations from the secured office space lease agreements concluded on 12 December 2018. According to the guarantee letters the Company undertook to fulfil Eleving Vehicle Finance JSC obligations towards SIA Skanse City if they are overdue on liabilities under the agreements terms. The guarantees expire if the lease agreements are amended, renewed without prior written approval by the Company and is effective for the entire duration of the respective lease agreements. At the beginning of 2020 both lease agreements were amended and the Company provided the new guarantee to secure only obligations of Eleving Vehicle Finance JSC.

9) On 15 April 2019 Eleving Group S,A. as the guarantor and the subsidiary in Armenia - Mogo UCO LLC entered into a surety agreement with Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

10) On 31 July 2019 the subsidiary in Latvia - mogo AS entered into a commercial pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between mogo AS and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

11) On 9 August 2019 the subsidiary in Estonia - mogo OÜ entered into a claims pledge agreement with Citadele banka AS, establishing a pledge over all present and future claims arising from certain agreements concluded between mogo OÜ and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

12) On 9 September 2019 the subsidiary in Lithuania - UAB mogo LT entered into a contractual pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between UAB mogo LT and its clients, to secure mogo AS, mogo OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.

13) On 17 September 2019 the subsidiary in Belarus - Mogo Kredit LLC entered into a pledge agreement over right of claim with CJSC Bank Resenije, establishing a pledge over certain receivables of Mogo Kredit LLC in favour of CJSC Bank Resenije, in order to secure Mogo Kredit LLC obligations towards CJSC Bank Resenije deriving from 2 credit contracts dated 17 September 2019.

14) On 26 September 2019 the subsidiary in Armenia - Mogo UCO LLC entered into a pledge agreement over right of claim with Ardshinbank CJSC, establishing a pledge over certain receivables of Mogo UCO LLC in favour of Ardshinbank CJSC, in order to secure Mogo UCO LLC obligations towards Ardshinbank CJSC deriving from credit contract dated 2 November 2017.

15) On 22 July, 2020 O.C.N. Sebo Credit issued guarantee favour of private individual Tamara Paun to secure repayment of the loan issued by Tamara Paun to Rodica Paun. The loan was used to provide a subordinated loan to O.C.N. Sebo Credit.

16) On 26 January 2021, Eleving Group S,A. signed a guarantee whereby Eleving Group S.A. undertook to guarantee the fulfilment of AS mogo obligations towards its creditors under AS mogo Bonds (ISIN: LV0000802452) and their Terms and Conditions.

17) The Group has signed Covenant Agreements with P2P platform companies AS Mintos Marketplace and Mintos Finance OU according to which the Group secures P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations. The claims are limited by amounts borrowed by each subsidiary.

18) The Group has signed Guarantee Agreements with P2P platform companies AS Mintos Marketplace, SIA Mintos Finance No.1 and Mintos Finance Estonia OU according to which the Group secures P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations. The claims are limited by amounts borrowed by each subsidiary.

19) Certain subsidiaries of the Group have entered into a commercial pledge agreements with SIA Mintos Finance No.1 and/or Mintos Finance Estonia OU, in order to secure those Group subsidiary obligations towards AS Mintos Marketplace, SIA Mintos Finance No.1 and Mintos Finance Estonia OU deriving from cooperation agreements entered into between the respective subsidiary and AS Mintos Marketplace, SIA Mintos Finance No.1 and/or Mintos Finance Estonia OU.

31. Commitments and contingencies (continued)

20) The Group has signed Guarantee Agreement with AS Citadele Banka according to which the Group secures AS Mogo, Primero Finance OU, and UAB Mogo LT liabilities towards AS Citadele Banka under Credit Line Agreement entered into with AS Citadele Banka on 8 July 2019 (as amended from time to time).

21) The Group's subsidiaries AS Renti (Latvia) and UAB Renti LT (Lithuania) have entered into commercial pledge agreements and guarantee agreements with AS Citadele Banka in order to secure AS Mogo, Primero Finance OU and UAB Mogo LT liabilities towards AS Citadele Banka under Credit Line Agreement entered into with AS Citadele Banka on 8 July 2019 (as amended from time to time).

22) The Group's subsidiary AS Eleving Vehicle Finance (Latvia) has entered into a put option agreement with Ropat Trust Company Limited according to which AS Eleving Vehicle Finance undertakes to purchase Mogo Auto Limited (Kenya) secured revolving loan notes up to one billion Kenya Shillings in case of default of Mogo Auto Limited under the terms and conditions of the notes programme.

23) The Group's subsidiary AS Eleving Stella (Latvia) has entered into a guarantee agreement with SIA Citadele Leasing in order to secure SIA Citadele Leasing claims towards AS Renti under several financial leasing agreements entered between AS Renti and SIA Citadele Leasing.

24) The Group's subsidiary Mogo Auto Limited (Kenya) has entered into a deed of assignment and Ropat Trust Company Limited (acting on behalf of the noteholders) in order to secure Mogo Auto Limited (Kenya) liabilities towards the noteholders under the terms and conditions of Mogo Auto Limited (Kenya) secured revolving loan notes programme.

25) Eleving Group has provided a guarantee to VERDANT CAPITAL HYBRID FUND I GMBH & CO. KG with the aim to secure punctual performance by Mogo Auto Limited (Kenya) of all Mogo Auto Limited (Kenya) obligations under the Finance Documents relating to USD 7,000,000 loan facility provided by VERDANT CAPITAL HYBRID FUND I GMBH & CO.

26) Mogo Auto Limited has entered into an account charge agreement creating a security interest over the accounts of Mogo Auto Limited and a fixed and floating charge agreement creating a security interest over specified receivable assets of Mogo Auto Limitedin order to secure Mogo Auto Limited (Kenya) obligations under the Finance Documents relating to USD 7,000,000 loan facility provided by VERDANT CAPITAL HYBRID FUND I GMBH & CO.

32. Financial risk management

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

Operational risks

The Group takes on exposure to certain operational risks, which result from general and specific market and industry requirements.

Compliance risk

Compliance risk refers to the risk of losses or business process disruption resulting from inadequate or failed internal processes systems, that have resulted in a breach of applicable law or other regulation currently in place.

Regulatory risks

Group’s operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. Formal licences issued by respective regulators are required in all countries where the Group operates in, except for Lithuania, Georgia, Belarus, Moldova, Uzbekistan and Poland. The Group closely monitors all the changes in regulatory framework for each of the countries it operates in. The Group employs both in-house as well as outsourced legal specialists to assist in addressing any current or future regulatory developments that might have an impact on Group’s business activities.

Anti-money laundering and Know Your Customer laws compliance risk

The Group is subject to anti-money laundering laws and related compliance obligations in most of the jurisdictions in which it does business. The Group has put in place local anti-money laundering policies in those jurisdictions where it is required under local law to do so and in certain other jurisdictions. As a financial institution, the Group is required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks.

As a result, the Group often relies on anti-money laundering and know your customer checks performed by our customers’ banks when such customers open new bank accounts, however Group has implemented further internal policies to minimise these risks. Group has put in place internal control framework to identify and report all suspicious transactions with a combination of IT based solutions and human involvement. Internal policies of the Group typically include customers’ background check against sanctioned lists and other public sources as required by each local law.

Privacy, data protection compliance risk

The Group’s business is subject to a variety of laws and regulations internationally that involve user privacy, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The Group has put in place an internal control framework consisting from a combination of IT based solutions and business procedures that are designed to capture any potential non-compliance matter before it has occurred and to ensure compliance with these requirements.

Market risks

The Group takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility or market rates or prices such as interest rates and foreign exchange rates.

32. Financial risk management (continued)

Financial risks

The main financial risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, liquidity risk, and credit risk.

Foreign currency risk

The Group accepts the currency risk by issuing loans in local currencies and funding local operations mostly with EUR. Further currency risk is managed transaction wise by avoiding unnecessary conversions back and forth to settle payments and invoices in EUR. Also Group is constantly looking for ways to fund local country operations with local currency funds.

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Interest rate risk

The Company is exposed to interest rate risk through its issued subordinated bond which carries a coupon of 12% plus 6 month Euribor. However, due to its relatively low size in terms of total borrowings (6.5% from total borrowings as at end of 2022), which in turn are fixed rate, the Company believes its revenue will be susfficient to cover the increased borrowings costs from subordinated bonds.

Capital risk management

The Group considers both equity capital as well as borrowings a part of overall capital risk management strategy.
The Group manages its capital to ensure that it will be able to continue as going concern. In order to maintain or adjust the capital structure, the Group may attract new credit facilities or increase its share capital. The Group fulfils externally imposed equity capital requirements.

The Group monitors equity capital on the basis of the capitalization ratio as defined in Eurobond prospectus. This ratio is calculated as Net worth (the sum of paid in capital, retained earnings, reserves and shareholder loan) divided by Net Loan portfolio.
In order to maintain or adjust the overall capital structure, the Group may issue new bonds, borrow in P2P platform or sell assets to reduce debt.
The management of the borrowings is driven by monitoring and complying the lender imposed covenants as well as planning the further borrowing needs to ensure business development of the Group.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages its liquidity risk by arranging an adequate amount of committed credit facilities with related parties, P2P investors and by issuing bonds. The Group monitors daily cash flows and plans for milestone dates for cash outflows to cover major liabilities like semi-annual interest payments for Eurobonds. The Group regulates its issuances of new loans to ensure the adequate funds are available when upcoming larger settlement of liabilities is approaching.

Credit risk

The Group is exposed to credit risk through its finance lease receivables, loans and advances to customers, loans to related parties, trade and other receivables as well as cash and cash equivalents. Maximum credit risk exposure is represented by the gross carrying value of the respective financial assets. The key areas of credit risk policy cover lease granting process (including solvency check of the lease), monitoring methods, as well as decision making principles.

The Group collateralizes the finance lease assets it finances and provides loans in amount of no more than 85% on average of the market values of the collateral.

The Group operates by applying a clear set of finance lease granting criteria. This criteria includes assessing the credit history of customer, means of lease repayment and understanding the lease object. The Group takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Group sets the credit limit for each and every customer.

When the lease agreement has been signed, the Group monitors the lease object and customer's solvency. The Group has developed lease monitoring process so that it helps to quickly spot any possible non-compliance with the provisions of the agreement. The receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimized, and, where appropriate, provisions are being made.

The Group does not have a significant credit risk exposure to any single counterparty, but has risk to group of counterparties having similar characteristics.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group is maintaining a diversified portfolio. It's main product is subprime lease, however it is offering also near prime lease, as well as instalment loan and long-term rent products.

Climate-related risk

'Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behavior and investor demand.

The Group has incorporated Climate related risks into a broader ESG policy that aims to assess the materiality of focus areas as well as defines future goals for 2025 (including climate related ones). The Group also reports on the extent to which its portfolio is associated with economic activities that are eligible to qualify as environmentally sustainable under the EU Taxonomy regulation.

33. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Instruments within Level 1 include highly liquid assets and standard derivative financial instruments traded on the stock exchange.

Fair value for such financial instruments as Financial assets at fair value through profit and loss is mainly determined based on publicly available quoted prices (bid price, obtainable from Bloomberg system).

Instruments within Level 2 include assets, for which no active market exists, such as over the counter derivative financial instruments that are traded outside the stock exchange, bonds, as well as balances on demand with the central banks, balances due from banks and other financial liabilities. Bonds fair value is observable in Frankfurt Stock Exchange public information. Fair value of bank loans is based on effective interest rate which represents current market rate to similar companies. The management recognizes that cash and cash equivalents' fair value is the same as their carrying value therefore the risk of fair value change is insignificant.

Instruments within Level 3 include loans and receivables.

Fair value of finance lease receivables and loans and advances to customers is determined using discounted cash flow model consisting of contractual lease and loan cash flows that are adjusted by expectations about possible variations in the amount and timings of cash flows using methodology consistent with the expected credit loss determination as at 31 December 2022 to determine the cash flows expected to be received net of impairment losses. The pre-tax weighted average cost of capital (WACC) of the entity holding the respective financial assets is used as the basis for the discount rate. The WACC is based on the actual estimated cost of equity and cost of debt that reflect any other risks relevant to the leases and loans that have not been taken into consideration by the impairment loss adjustment described above and also includes compensation for the opportunity cost of establishing a similar lease or loan. An additional 1.5 to 4.1% is added to the discount rate as an adjustment to consider service costs of the portfolio that are not captured by the cash flow adjustments.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Group’s statement of financial position at their fair value:

	Carrying value	Fair value	Carrying value	Fair value
	30.06.2023.	30.06.2023.	31.12.2022.	31.12.2022.
	EUR	EUR	EUR	EUR
Assets for which fair value is disclosed				
Loans to related parties	3 283 465	3 283 465	3 153 617	3 153 617
Finance lease receivables*	124 203 807	-	133 978 390	182 498 425
Loans and advances to customers*	160 229 046	-	148 976 304	200 197 412
Other loans and receivables	732 651	732 651	964 806	964 806
Trade receivables	2 087 318	2 087 318	2 662 513	2 662 513
Other receivables	11 504 038	11 504 038	7 296 159	7 296 159
Cash and cash equivalents	18 676 551	18 676 551	13 834 837	13 834 837
Total assets for which fair value is disclosed	**320 716 876**	**36 284 023**	**310 866 626**	**410 607 769**
Liabilities for which fair value is disclosed				
Borrowings				
Eleving Group S.A. bonds	148 226 800	126 085 551	147 875 287	136 875 000
Mogo AS bonds	30 127 718	30 314 385	29 282 833	30 177 500
Lease liabilities for right-of-use assets	13 315 269	13 315 269	10 096 492	10 096 492
Long term loan from banks	8 636 461	8 636 461	5 495 958	5 495 958
Financing received from P2P investors	67 917 811	67 917 811	67 515 357	67 515 357
Subordinated borrowings	18 386 794	18 386 794	18 477 014	18 477 014
Other borrowings	14 688 145	14 688 145	12 565 412	12 565 412
Trade payables	1 101 206	1 101 206	1 646 248	1 646 248
Other liabilities	2 313 394	2 313 394	1 953 236	1 953 236
Total liabilities for which fair value is disclosed	**304 713 598**	**282 759 016**	**294 907 837**	**284 802 217**
Liabilities measured at fair value				
Other financial liabilities	-	-	39 575	39 575
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**304 713 598**	**282 759 016**	**294 947 412**	**284 841 792**

* - The magnitude of excess of the fair value over the carrying value of finance lease receivables and loans and advances to customers is consistent as at 30.06.2023 and as at 31.12.2022. The precise quantification of fair value of finance lease receivables as at 30.06.2023 has not been estimated as considered impracticable due to fair value estimation being a resource-intensive task and thus bearing high costs.

33. Fair value of financial assets and liabilities (continued)

The table below specified analysis by fair value levels as at 30 June 2023 (based on their fair values):

	Level 1 30.06.2023. EUR	Level 2 30.06.2023. EUR	Level 3 30.06.2023. EUR	Level 1 31.12.2022. EUR	Level 2 31.12.2022. EUR	Level 3 31.12.2022. EUR
Assets for which fair value is disclosed						
Loans to related parties	-	-	3 283 465	-	-	3 153 617
Finance lease receivables*	-	-	-	-	-	182 498 425
Loans and advances to customers*	-	-	-	-	-	200 197 412
Other loans and receivables	-	-	732 651	-	-	964 806
Trade receivables	-	-	2 087 318	-	-	2 662 513
Other receivables	-	-	11 504 038	-	-	7 296 159
Cash and cash equivalents	18 676 551	-	-	13 834 837	-	-
Total assets for which fair value is disclosed	**18 676 551**	**-**	**17 607 472**	**13 834 837**	**-**	**396 772 932**
Liabilities for which fair value is disclosed						
Borrowings						
Mogo Finance S.A. bonds	-	126 085 551	-	-	136 875 000	-
Mogo AS bonds	-	-	30 314 385	-	-	30 177 500
Lease liabilities for right-of-use assets	-	-	13 315 269	-	-	10 096 492
Long term loan from banks	-	-	8 636 461	-	-	5 495 958
Financing received from P2P investors	-	-	67 917 811	-	-	67 515 357
Subordinated borrowings	-	-	18 386 794	-	-	18 477 014
Other borrowings	-	-	14 688 145	-	-	12 565 412
Trade payables	-	-	1 101 206	-	-	1 646 248
Other liabilities	-	-	2 313 394	-	-	1 953 236
Total liabilities for which fair value is disclosed	**-**	**126 085 551**	**156 673 465**	**-**	**136 875 000**	**147 927 217**
Liabilities measured at fair value						
Other financial liabilities	-	-	-	-	-	39 575
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**-**	**126 085 551**	**156 673 465**	**-**	**136 875 000**	**147 966 792**

* - The magnitude of excess of the fair value over the carrying value of finance lease receivables and loans and advances to customers is consistent as at 30.06.2023 and as at 31.12.2022. The precise quantification of fair value of finance lease receivables as at 30.06.2023 has not been estimated as considered impracticable due to fair value estimation being a resource-intensive task and thus bearing high costs.

Bonds issued by Eleving Group S.A. have been classified as Level 2 fair value measurement given that there are observable market quotations in markets.
The market for Mogo AS bonds is not assessed as an active market thus classified as Level 3. Fair value of the bonds has been determined based on observable quotes.

There have been no transfers between fair value hierarchy levels during 2023 and 2022.

34. Share-based payments

General Employee Share Option Plan

The Group may grant share options of Subsidiaries to its employees. Share options are generally awarded on the first day of employment. The share options vest within four years time with front loaded vesting of 25% of the granted shares after one year of employment. The maximum term of options granted is 4 years.

Fair value of the respective share options

The fair value of share options granted is estimated at the date of grant. Group's management has assessed that the fair value of the respective share options is not material. Accordingly, no expense and liability arising from these equity-settled share-based payment transactions is recognized.

The exercise price of the share options under typical circumstances is equal to the nominal price of the underlying shares. The contractual maximum term of the share options are till 2023. There are cash settlement alternatives. Given absence of an ongoing sale of subsidiaries or Eleving Group S.A. or any listing process initiated and any other relevant cash settlement events, cash settlement is considered not to be probable. The Group does not have a past practice of cash settlement for these awards and the Group does not have a present obligation to settle in cash.

The main purpose of both share option plans is to attract and retain highly experienced employees for extensive period of time and build strong management team.

35. Segment information

For management purposes, the Group is organized into business units based on their geographical locations and on internal management structure, which is the basis for reporting system. During reporting year the Group restructured management structure therefore operating segments ahve been change. These consolidated financial statements provide information on the following operating segments. Comparative figures reflect segments according to previous years structure.

- Eleving Luna. This is the major segment of the Group representing entities performing car financing activities in Georgia, Estonia and Armenia.
- Eleving Stella. This is the major segment of the Group representing entities performing car financing activities in Latvia, Lithuania, Romania, Moldova and Belarus.
- Eleving Solis. This is the major segment of the Group representing entities performing car financing activities in Uzbekistan, Kenya and Uganda.

- Entities performing consumer loan financing activities. This is the major segment of the Group representing entities performing activities in Moldova, Albania and North Macedonia.

- Discontinued operations. This group includes entities from countries where the group has decided to exit from geographical markets. Countries include Bosnia-Herzegovina, Albania and Poland.

- Other segments. This segment comprises Group's business lines with aggregate unconsolidated revenue below 10% of the total unconsolidated revenue of all operating segments.

- Other. The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments hence these are presented in "Other".

Management monitors mainly the following indicators of operating segments for the purpose of making decisions about resource allocation and performance assessment: net revenue, profit before tax, gross portfolio and impairment. Other segment is not monitored on segment level but on comprising subsidiaries level.

The Group`s Chief operating decision maker is Group`s CEO.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2023 or 2022.

Segment information below shows main income and expense items of comprehensive income statement. Other smaller income and expense items are summarized and shown under 'Other income/(expense)' column.

35. Segment information (continued)

Segment information for the period ended on 30 June 2023 is presented below:

Operating segment	Interest income	Interest expenses	Impairment expense*	Other operating income/ (expense)	Corporate income tax	Segment profit/(loss) for the period	Total assets	Total liabilities
Eleving Luna	9 600 009	(1 823 587)	(1 432 555)	(2 272 364)	(306 684)	3 764 818	61 089 871	33 502 160
Eleving Stella	18 255 984	(5 592 192)	(2 546 397)	(7 018 457)	(840 473)	2 258 465	126 334 199	96 040 470
Eleving Solis	*30 553 954*	*(6 541 301)*	*(7 552 758)*	*(15 416 503)*	*(592 016)*	*451 376*	116 100 811	117 163 540
Entities performing consumer loan financing	27 636 576	(3 218 876)	(8 558 193)	(6 222 928)	(1 416 280)	8 220 299	89 658 976	49 093 181
Discontinued operations	20 697	(14 708)	(20 850)	(140 549)	-	(155 410)	299 279	1 090 548
Other segments	3 791	(1 693 909)	(11 170 402)	482 262	(213)	(12 378 471)	33 174 558	46 780 796
Total segments	86 071 010	(18 884 573)	(31 281 155)	(30 588 540)	(3 155 666)	2 161 077	426 657 694	343 670 695
Other	8 978 181	(9 059 202)	(186 747)	(122 496)	(71 797)	(462 061)	164 942 714	170 076 272
Adjustments and eliminations	(10 488 294)	10 509 780	11 377 998	(657 793)	-	10 741 691	(212 940 987)	(193 795 780)
Consolidated	**84 560 897**	**(17 433 995)**	**(20 089 904)**	**(31 368 829)**	**(3 227 463)**	**12 440 707**	**378 659 421**	**319 951 187**

* - includes net gain/(loss) from de-recognition of financial assets measured at amortized cost.

Revenue	6 months 2023 EUR
External customers (interest income and other income)	74 924 923
Inter-segment (interest income and other income)	11 146 087
TOTAL:	**86 071 010**

Reconciliation of profit	6 months 2023 EUR
Segment profit	2 161 077
Profit from other	*(462 061)*
Elimination of inter-segment revenue	*(15 460 903)*
Elimination of intragroup interest income	(10 488 294)
Elimination of intragroup income from dividends	(592 200)
Elimination of intragroup management services	(4 332 830)
Elimination of intragroup other income/(expenses)	(47 579)
Elimination of inter-segment expenses	*26 202 594*
Elimination of intragroup interest expenses	10 509 780
Elimination of impairment expenses	11 377 998
Elimination of intragroup management services	4 314 816
Consolidated profit for the period	12 440 707

Reconciliation of assets	30.06.2023. EUR
Segment operating assets	426 657 694
Assets of Other	164 942 714
Elimination of intragroup loans	(194 030 434)
Elimination of other intragroup receivables	(18 910 553)
Total assets	378 659 421

Reconciliation of liabilities	30.06.2023. EUR
Segment operating liabilities	343 670 695
Liabilities of Other	170 076 272
Elimination of intragroup borrowings	(194 034 778)
Elimination of other intragroup accounts payable	238 998
Total liabilities	319 951 187

35. Segment information (continued)

Segment information for the period ended on 30 June 2022 is presented below:

Operating segment	Interest income	Interest expenses	Impairment expense*	Other operating income/ (expense)	Corporate income tax	Segment profit/(loss) for the period	Total assets	Total liabilities
Eleving Luna	6 098 143	(833 634)	(691 685)	(565 753)	(253 334)	3 753 737	46 335 938	17 673 629
Eleving Stella	22 994 811	(9 547 245)	(2 350 927)	(6 056 651)	(907 558)	4 132 430	216 865 421	189 907 691
Eleving Solis	29 374 797	(6 479 186)	(6 349 080)	(12 950 502)	(2 499 275)	1 096 754	121 229 782	120 152 652
Entities performing consumer loan financing	31 028 965	(2 515 928)	(16 272 607)	(6 122 054)	(981 738)	5 136 638	76 152 073	51 398 061
Discontinued operations	2 723 822	(737 057)	(264 493)	(2 334 662)	-	(612 390)	26 434 112	18 741 008
Other segments	(338 760)	(1 892 162)	-	443 849	(2 558)	(1 789 631)	44 564 093	40 491 936
Total segments	91 881 778	(22 005 212)	(25 928 792)	(27 585 773)	(4 644 464)	11 717 537	531 581 419	438 364 977
Other	10 045 464	(9 876 417)	1 154	(933 451)	(2 408)	(765 658)	163 196 380	176 733 843
Adjustments and eliminations	(16 795 354)	16 917 335	110 899	(3 401 780)	-	(3 168 900)	(336 680 308)	(299 683 930)
Consolidated	**85 131 888**	**(14 964 294)**	**(25 816 739)**	**(31 921 004)**	**(4 646 872)**	**7 782 979**	**358 097 491**	**315 414 890**

* - includes net gain/(loss) from de-recognition of financial assets measured at amortized cost.

Revenue	6 months 2022 EUR
External customers (interest income and other income)	71 684 644
Inter-segment (interest income and other income)	20 197 134
TOTAL:	**91 881 778**

Reconciliation of profit	30.06.2022. EUR
Segment profit	11 717 537
Profit from other	*(765 658)*
Elimination of inter-segment revenue	*(20 197 134)*
Elimination of intragroup interest income	(16 795 356)
Elimination of intragroup other income/(expenses)	(3 401 778)
Elimination of inter-segment expenses	*17 028 234*
Elimination of intragroup interest expenses	16 917 335
Elimination of impairment expenses	110 899
Consolidated profit for the period	7 782 979

Reconciliation of assets	30.06.2022. EUR
Segment operating assets	531 581 419
Loans to non related parties	33 001
Other short term receivables	163 163 379
Elimination of intragroup loans	(145 558 054)
Elimination of other intragroup receivables	(191 122 254)
Total assets	358 097 491

Reconciliation of liabilities	30.06.2022. EUR
Segment operating liabilities	438 364 977
Borrowings	144 146 418
Other liabilities	32 587 425
Elimination of intragroup borrowings	(301 849 170)
Elimination of other intragroup accounts payable	2 165 240
Total liabilities	315 414 890

36. Events after balance sheet date

1) In early July, Eleving Group announced that it had obtained EC Finance Group through the integration and combination of both companies' equity amounts. EC Finance Group, better known by the product brand name ExpressCredit, is a consumer finance provider operating in four Southern African countries. As a result of the transaction, the Group will take over the company's assets, subsidiaries, and client portfolio worth EUR 28 mln, and increase the Group's equity.

2) In early July, Renti Plus business operations in Latvia were sold to Transporent Ltd, a Latvian subsidiary of the international mobility services provider SIXT. The respective transaction included a sale of more than 100 vehicles from the Renti Plus fleet and its active customer portfolio. With closing of the deal, the Group will continue to develop its financing services in the retail and SME segments in Latvia, with a primary focus on streamlining existing products.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or Notes thereto.

37. Alternative performance measures

These consolidated interim financial statements provide alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards as adopted by the EU. We believe these APMs provide readers with important additional information on our business. To support this, we have included, a reconciliation of the APMs we use where relevant and a glossary indicating the APMs that we use, an explanation of how they are calculated.

APM	Definition
Capitalization ratio	Total equity (incl. subordinated loans/bonds)/net loan portfolio (excl. rental fleet)
EBITDA	Profit from continuing operations for the period before corporate income tax and deferred corporate income tax, interest expense, amortization and depreciation, and net foreign exchange result
Interest coverage ratio	Last twelve-month Adjusted EBITDA/interest expense less Eurobonds acquisitions costs and subordinated loans/bonds interest expense
Net leverage	Sum of non-current and current borrowings (excl. lease liabilities for rent of vehicles and premises and subordinated debt/bonds) less cash and cash equivalents / last twelve-month Adjusted EBITDA
Net loan portfolio	Sum of rental fleet, non-current and current finance lease receivables and loans and advances to customers
Net profit before FX	Net profit for the period before net foreign exchange result
Revenue	Sum of interest revenue, fee and commission income related to financing activities and revenue from leases

Capitalization ratio	6M 2023	6M 2022	2021	2020
Total Equity	58 708 234	42 682 601	31 390 094	22 238 223
Subordinated loans/bonds	18 386 794	18 976 762	17 300 238	12 126 467
Net loan portfolio	284 432 853	276 612 560	234 851 859	186 890 484
Capitalization ratio	**27.1%**	**22.3%**	**20.7%**	**18.4%**

EBITDA	6M 2023	6M 2022	2021	2020
Profit from continuing operations	12 440 707	7 782 979	11 205 675	1 647 029
Corporate income tax	(5 705 314)	(5 787 868)	(6 932 013)	(709 012)
Deferred corporate income tax	2 477 851	1 140 996	815 335	1 012 121
Net foreign exchange result	(1 118 023)	(1 582 342)	1 095 031	(11 061 815)
Amortization and depreciation	4 256 193	4 025 667	7 399 657	5 347 054
Interest expense	(17 433 995)	(14 964 294)	(29 022 570)	(24 877 404)
EBITDA	**38 476 381**	**33 002 154**	**52 649 549**	**42 630 193**
(Gain)/Loss from subsidiary sale	-	-	-	(2 270 197)
Loss from cancelled acquisition in Kosovo	-	-	960 237	-
Amortization of acquisitions' fair value gain	-	-	3 183 838	3 365 103
Bonds refinancing expense	-	-	5 667 930	-
Warrant repurchase from Mezzanine Management	-	-	-	2 546 353
Gain from acquisitions	-	-	-	(11 473 296)
Non-controlling interests	(2 429 474)	(1 557 749)	(5 002 715)	426 199
Adjusted EBITDA	**36 046 907**	**31 444 405**	**57 458 839**	**35 224 355**

LTM Adjusted EBITDA	6M 2023	6M 2022	2021	2020
LTM Adjusted EBITDA	**74 559 472**	**60 300 639**	**57 458 839**	**35 224 355**

LTM Financing costs	6M 2023	6M 2022	2021	2020
LTM Financing costs	**30 828 957**	**26 101 722**	**25 144 420**	**22 594 208**

Interest coverage ratio	6M 2023	6M 2022	2021	2020
Interest expense	17 433 995	14 964 294	29 022 570	24 877 404
Interest expense from subordinated loans/bonds	1 319 191	1 027 420	1 735 481	344 406
Bonds issuance costs	62 302	46 803	2 142 668	1 938 791
Interest coverage ratio	**2.4**	**2.3**	**2.3**	**1.6**

37. Alternative performance measures (continued)

Net leverage	6M 2023	6M 2022	2021	2020
Non-current borrowings, less:	229 398 740	237 353 422	229 757 374	166 696 463
Subordinated loans/bonds	*18 386 794*	*18 976 762*	*17 300 238*	*12 126 467*
Non-current lease liabilities for rent of premises	*7 139 306*	*7 194 881*	*6 612 744*	*5 682 880*
Non-current lease liabilities for rent of vehicles	*17 459*	*98 014*	*93 446*	*42 135*
Current borrowings, less:	71 900 258	60 695 923	38 267 475	76 537 465
Current lease liabilities for rent of premises	*3 124 560*	*3 111 729*	*2 443 778*	*2 013 871*
Current lease liabilities for rent of vehicles	*369 250*	*2 497 758*	*57 412*	*56 425*
Cash and cash equivalents	*18 676 551*	*13 330 128*	*10 127 087*	*9 315 430*
Net leverage	**3.4**	**4.2**	**4.0**	**6.1**

Net loan portfolio	6M 2023	6M 2022	2021	2020
Rental fleet	10 312 211	10 746 105	10 700 138	14 549 784
Non-current finance lease receivables	68 101 164	75 712 887	64 417 410	60 433 229
Non-current loans and advances to customers	79 447 077	61 029 700	54 708 877	37 935 401
Current finance lease receivables	56 102 643	63 041 141	47 942 305	34 025 363
Current loans and advances to customers	80 781 969	76 828 832	67 783 267	54 496 491
Net loan portfolio	**294 745 064**	**287 358 665**	**245 551 997**	**201 440 268**

Net profit after FX	6M 2023	6M 2022	2021	2020
Profit from continuing operations	12 440 707	7 782 979	11 205 675	1 647 029
Net profit after FX	**12 440 707**	**7 782 979**	**11 205 675**	**1 647 029**
(Gain)/Loss from subsidiary sale	-	-	960 237	(2 270 197)
Amortization of acquisitions' fair value gain	-	-	3 183 838	3 365 103
Bonds refinancing expense	-	-	5 667 930	-
Warrant repurchase from Mezzanine Management	-	-	-	2 546 353
Gain from acquisitions	-	-	-	(11 473 296)
Adjusted Net profit after FX	**12 440 707**	**7 782 979**	**21 017 680**	**(6 185 008)**

Net profit before FX	6M 2023	6M 2022	2021	2020
Profit from continuing operations	12 440 707	7 782 979	11 205 675	1 647 029
Net foreign exchange result	(1 118 023)	(1 582 342)	1 095 031	(11 061 815)
Net profit before FX	**13 558 730**	**9 365 321**	**10 110 644**	**12 708 844**
(Gain)/Loss from subsidiary sale	-	-	960 237	(2 270 197)
Amortization of acquisitions' fair value gain	-	-	3 183 838	3 365 103
Bonds refinancing expense	-	-	5 667 930	-
Warrant repurchase from Mezzanine Management	-	-	-	2 546 353
Gain from acquisitions	-	-	-	(11 473 296)
Adjusted Net profit before FX	**13 558 730**	**9 365 321**	**19 922 649**	**4 876 807**

Revenue	6M 2023	6M 2022	2021	2020
Interest revenue	84 560 897	85 131 888	139 857 244	73 685 522
Fee and commission income related to financing activities	3 828 963	4 018 331	7 317 048	5 040 256
Revenue from leases	2 249 934	2 741 131	6 549 933	6 247 484
Revenue	**90 639 794**	**91 891 350**	**153 724 225**	**84 973 262**
Amortization of acquisitions' fair value gain	-	-	3 183 838	3 365 103
Adjusted revenue	**90 639 794**	**91 891 350**	**156 908 063**	**88 338 365**

Signed on behalf of the Group on 6 September 2023 by:

Māris Kreics
Type A director

Sébastien Jean-Jacques J. François
Type B director