Eleving GROUP

Unaudited results for the three months ended 31 March 2022

Content

3 months at a glance

350 000+
Total Number of Customers

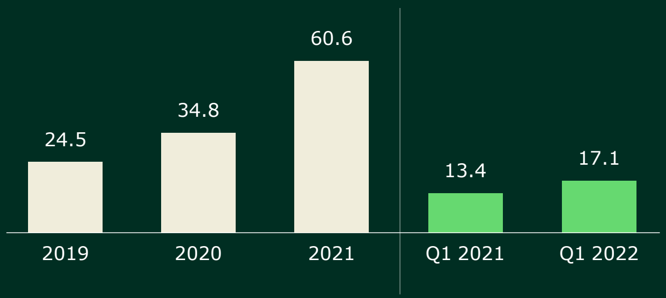
EUR 17.1 mln[1]
EBITDA, 3M 2022

EUR 259.9 mln
Vehicle and Consumer Financing Portfolio

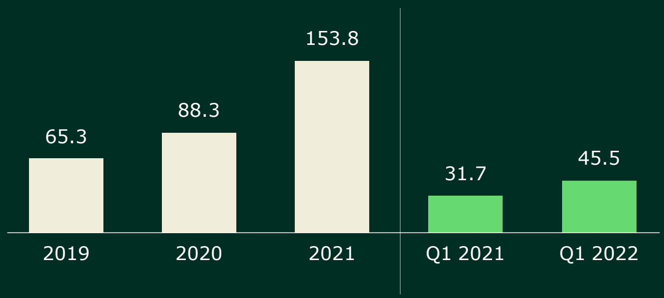
EUR 45.5 mln[2]
Revenues, 3M 2022

Highest ever quarterly EBITDA[1] – EUR 17.1 mln

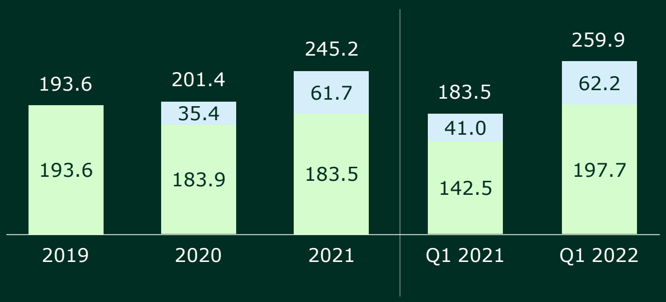
EBITDA, EUR mln[1]



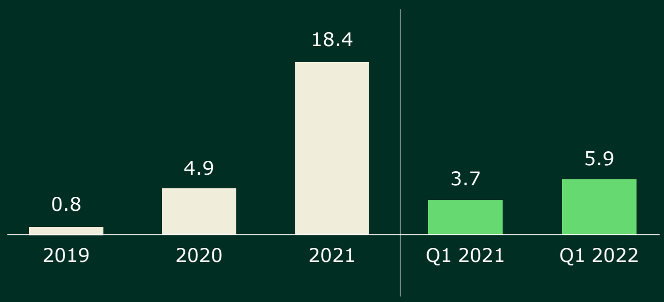
Revenue, EUR mln[2]



Net portfolio, EUR mln



Net profit before FX, EUR mln[3]



[1] 2020 EBITDA adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 2021 EBITDA adjusted with an increase by one-ff costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. Q1 2021 EBITDA adjusted with an increase by one-off costs of: (a) amortization of fair value gain from acquisitions EUR 0.9 mln

[2] Adjusted with fair value gain on acquisition in 2020 from portfolio in the amount of EUR 3.4 mln and subsequent amortization of portfolio gain in 2021 in the amount of EUR 3.2 mln and EUR 0.9 mln in Q1 2021

[3] 3 2020 adjusted with an increase by one-off costs of: (a) Mezzanine payments for warrant EUR 2.5 mln; (b) amortization of fair value gain from acquisitions EUR 3.4 mln; and a decrease by one off-gains of: (a) fair value gain on acquisitions EUR 9.7 mln; (b) trademark acquired EUR 1.8 mln; (c) other one-off adjustments. 2021 adjusted with an increase by one-ff costs of: (a) amortization of fair value gain EUR 3.2 mln; (b) loss resulting from subsidiary write-off EUR 1.0 mln; (c) bonds refinancing expense EUR 5.7 mln. Q1 2021 adjusted with an increase by one-off costs of: (a) amortization of fair value gain from acquisitions EUR 0.9 mln

All-time best quarterly performance posting a 27.8% increase in EBITDA

Operational and strategic highlights

- Substantial increase in performance levels (Key Performance Indicators) during the period:
  - adjusted revenue up by 43.5% compared to Q1 2021, reaching EUR 45.5 mln in Q1 2022;
  - adjusted EBITDA up by 27.8% compared to Q1 2021, reaching EUR 17.1 mln in Q1 2022;
  - adjusted net profit before FX up by 59.5% compared to Q1 2021, hitting the EUR 5.9 mln mark for the period.

- Continued diversification of the business in both business lines and a balanced revenue stream from the three core product lines:
  - flexible lease and subscription-based products contributed EUR 10.5 mln to the Q1 2022 revenue — up by 147.7% compared to Q1 2021 and up by 16.8% compared to Q4 2021. Driven by the continuous growth of motorcycle-taxi financing in Kenya and Uganda and successful scale-up of rental and subscription-based products in the Baltics;
  - lease and leaseback product revenue at EUR 15.2 mln, up by 25.9% compared to Q1 2021 and up by 7.3% compared to Q4 2021, demonstrating a stable upward trajectory and bouncing back after the slowdown in 2020 caused by the COVID-19 pandemic and rationalization of some markets;
  - consumer lending products generated EUR 17.8 mln in revenue — an increase of 42.4% compared to Q1 2021 but a decrease of 10.3% compared to Q4 2021. The decrease is directly linked to the suspension of issuances and portfolio deterioration in Ukraine. Other consumer financing markets demonstrated a steady and stable performance.

- Vehicle and Consumer Financing Portfolio has reached EUR 259.9 mln — a record-high for the company and a 41,6% increase compared to Q1 2021.

- The subscription-based product, launched in Q4 2021, has successfully onboarded its first customers, and the fleet value surpassed EUR 1 mln, with a utilization ratio above 80%. Half of the onboarded customers are SMEs, while the other half is comprised of private individuals.

- Special measures have been taken in Belarus and Ukraine to cope with the direct and indirect warfare effects:
  - issuances in both countries have been halted. In March, new early repayment initiatives were implemented in Belarus, which resulted in all-time-high collections. In the same month, a significant drop in collections was observed in Ukraine, however, meaningful improvements were seen already in the following month as cash collected in April exceeded March's figures more than twofold. Additionally, Belarus operations have focused on liability settlement towards the Group, while cross-border payments and currency conversion has been suspended in Ukraine;
  - the existing staff has been reorganized and downsized in both countries, retaining the core focus on debt collection activities. Currently, Eleving Group's strategy in both markets is to decrease portfolio exposure while maintaining an efficient cost base structure.

Financial highlights and progress

- Record profitability as evidenced by:
  - record-high EBITDA — EUR 17.1 mln (3M 2021: EUR 12.5 mln);
  - Net Profit before FX — EUR 5.9 mln (3M 2021: EUR 2.8 mln);
  - Net Profit after FX — EUR 4.3 mln (3M 2021: EUR 3.0 mln).

- Record-high portfolio — EUR 259.9 mln, a EUR 14.7 mln increase during the quarter; Eleving Vehicle Finance accounted for EUR 197.7 mln, Eleving Consumer Finance — for EUR 62.2 mln, respectively.
- Sufficient capitalization with improving balance sheet structure:
  - the capitalization ratio stood high at 21.0% (31 December 2021: 20.7%), providing an excellent and stable headroom for Eurobond covenants;
  - on 7 March 2022, Eleving Group's subordinated bonds (XS2427362491) were admitted to trading on the Nasdaq Baltic First North Market;
  - receivable from the sale of Longo Group has been fully repaid as of the end of 31 March 2022.

Comment from Eleving Group CEO and CFO

Modestas Sudnius
CFO of Eleving Group

In the first quarter of 2022, Eleving Group has been successful both operationally and financially. We managed to achieve the planned growth and profitability targets, which testifies to the quality of our portfolio and the effectiveness of the company's operations and chosen strategy.

During the first quarter of 2022, we continued to demonstrate strong results across our markets and business lines. It was an exceptional quarter for our most developed markets — the Baltic States and the Caucasus, and consumer finance businesses in Albania and North Macedonia. In addition, rapid growth was still observed in Kenya and Uganda, where Eleving Group has become an indispensable partner for unbanked customers seeking mobility solutions to increase their income.

In response to the new geopolitical reality fueled by the war in Ukraine, the company has made decisive moves to reduce the exposure of its portfolio in Belarus and Ukraine, and we are observing and reevaluating the situation on a daily basis. From the beginning of the war, issuances have been suspended in both markets, costs decreased, and operational teams optimized with a full focus on collections. Our product diversification and efficient operations in other geographies allowed us to compensate for the performance in markets facing short-term difficulties and achieve budgeted results.

Despite the challenges, Eleving Group continued to implement new projects, though on a smaller scale. Primero, a premium car lease product, has been successfully launched in Armenia. A fleet of new cars is gradually growing in Latvia to support the development of Renti Plus, a car subscription service. A lending license has been received in Finland, with plans to launch vehicle finance operations in the second quarter of 2022.

A significant milestone has also been achieved in the field of ESG. Eleving Group is one of the first fintech companies in Latvia and the Baltic region with a clear vision of sustainable and responsible business. We seek to set an example for other companies in the financial services sector by making the priorities of our strategy a reality. We are working towards the goal while implementing multiple initiatives, gradually introducing products that focus on environmentally-friendly vehicles, investing in projects that improve people's financial literacy, building sustainable operations, and fostering gender equality in the professional environment throughout all 14 markets represented by the Group.

The first quarter of 2022 shows stable financial performance despite the strong headwinds caused by the geopolitical situation in Eastern Europe. We have managed to achieve one of the highest quarterly EBITDA results in the company's history and maintain stable net profitability.

We have further improved our balance sheet during the first quarter by collecting payments from previously sold businesses and fully settling outstanding receivables for Longo business and Mogo Kazakhstan. The received funds were further redeployed into the company's portfolio, thus ensuring further growth. Meanwhile, Eleving Group has successfully listed its subordinated bonds on Nasdaq First North, and part of the Group's shareholder loans have already been replaced with subordinated bonds.

Eleving Group is paying close attention to the situation in Ukraine and Belarus while taking deliberate actions to reduce the exposure of the company's portfolio in the respective markets.

Despite the complex situation and halted loan issuances in both markets, inbound cash flow and portfolio performance in Belarus remains excellent, with profitable monthly operations. Additionally, Ukraine shows strong signs of improvement, with April cash flows already on a better trajectory than in March.

Considering global inflationary pressure on goods and services, we can still observe a very high demand for our mobility and consumer products. We have a strong track record proving that Eleving Group's business model can quickly adapt to market changes, and the chosen strategy helps the company to overcome any short-term turbulences. Furthermore, currently we are not observing fundamental changes in our customers' credit discipline, and the portfolio quality remains intact.

Māris Kreics
CEO of Eleving Group

Outlook - Products & Strategy

To become an ultimate mobility platform

	Mobility					Inclusion
	Financing		Flexible lease and subscription			Consumer lending
Products & services	mogo Leasing for pre-owned vehicles	primero Leasing for pre-owned premium vehicles	RENTI Rent-to-buy service for ultimate flexibility	Boda loans mogo Motorcycle taxi loans in emerging markets[1]	New: vehicle subscription services[2] All inclusive vehicle as a service product	Kredo.al, Tigo.mk, Sebo.md, INSTA FINANCE Consumer loan products available online and through branch networks
Product strategy	Maintain organic growth in existing markets	Rollout the product across all of the Group's European markets	Rollout the product across all of the Group's EU markets	Maintain organic growth, with the possible launch of a new market in 2022	Launch and scale new product in the Group's European markets	Shift portfolio to longer maturities and higher ticket loans to serve wider customer needs

Processes

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

Further development of **sales channels**:

- Launch of updated car portal across all Vehicle Finance markets
- Upgrade partners (POS/Dealerships) sales tools

Capital management

Continuous i**mprovement in financial** covenants — Interest coverage ratio (ICR), Net leverage ratio and Capitalization ratio and target rating upgrade

Exploring routes for **attracting outside equity**

Significantly **decrease exposure** in Ukraine and Belarus

Social impact

Further **development of vehicle finance business line** to **increase mobility and economic inclusion** in less developed regions

Development of financial literacy program for Group's markets

Promotion of **green vehicle financing** with the aim of **reducing CO2 intensity of company's funded fleet**

Implementation of **Equality, Inclusion, and Non-Discrimination policy**

Improvement of internal processes to reduce energy and water consumption, and waste generation

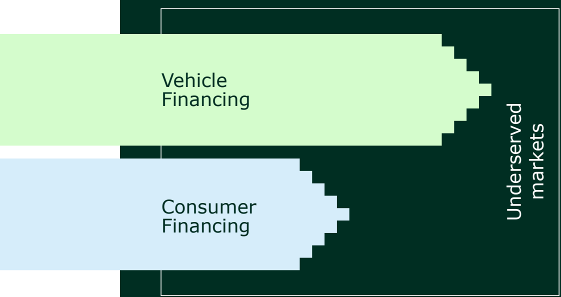
[1] Kenya and Uganda

[2] New car subscription services launched in Latvia in 2021 Q4

About Eleving Group

Our approach

Our approach to business is to identify underserved markets and disrupt them with innovative and sustainable financial solutions both in the vehicle and consumer financing segments.

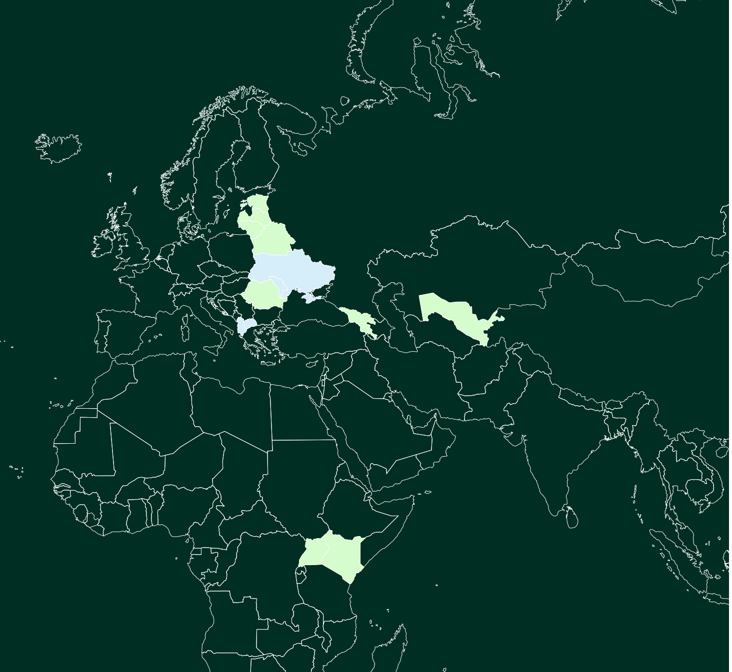


Sustained growth

The consistent pursuit of growth has turned us into a strong, global player of the financial services industry, earning us a spot among the Top 1 000 fastest growing companies in Europe, with more than 2 600 employees and 350 000 loyal customers.

Presence

Eleving Group is an international fast-moving financial technology company offering services across the globe. The Group operates in 14 countries across 3 continents.



Conference call

On 17 May

A conference call in English with the Group's management team to discuss these results is scheduled for 17 May 2022, at 15:00 CET.

Contact

Māris Kreics
Chief Financial Officer (CFO)
maris.kreics@eleving.com

Click here to register for conference call

Financial review

Condensed consolidated income statement

The table below sets out the condensed consolidated statement of profit and loss for the three months period ended 31 March 2021 and 31 March 2022.

in EUR million	3M 2021	3M 2022	% change
Interest and similar income	27.4	42.2	54.0%
Interest expense and similar expenses	(6.9)	(6.9)	0.0%
Net interest income	**20.5**	**35.3**	**72.2%**
Income from used vehicle rent	1.7	1.4	-17.6%
Impairment expense	(6.5)	(13.4)	106.2%
Operating expense and income	(11.8)	(15.1)	28.0%
Net foreign exchange result	0.2	(1.6)	nm
Profit before tax	**4.1**	**6.6**	**61.0%**
Corporate income tax	(1.1)	(2.3)	109.1%
Net profit for the period without FX and discontinued operations	2.8	5.9	110.7%
Net profit for the period	**3.0**	**4.3**	**43.3%**

Interest, similar income and income from vehicle rental

in EUR million	3M 2021	3M 2022	% change
Flexible and subscription-based products	**4.2**	**10.5**	**149.1%**
Interest and similar income	2.5	9.1	262.0%
Rental income	1.7	1.4	-17.6%
Traditional lease and leaseback products	**12.4**	**15.3**	**23.6%**
Interest and similar income	12.4	15.3	23.6%
Consumer lending products	**12.5**	**17.8**	**42.4%**
Interest and similar income	12.5	17.8	42.4%
Average net loan and used vehicle rent portfolio	**192.3**	**252.6**	**31.3%**
Average income yield on net loan and used vehicle rent portfolio	**60.5%**	**69.1%**	**8.5 p.p.**

Interest, similar income and income from used vehicle rent for the period increased by 49.8% to EUR 43.6 million (3M 2021: EUR 29.1 million) reflecting the growth in the average net loan and used vehicle rent portfolio by 31.3% to EUR 252.6 million (3M 2021: EUR 192.3 million) and continuous focus on highest-yielding markets and products.

Interest expense and similar expense

Despite the increase in total borrowings to EUR 255.2 million (31 March 2021: EUR 212.5 million), interest expense and similar expense remained relatively unchanged compared to the corresponding period in 2021 and amounted EUR 6.9 million.

Income from used vehicle rent

Income from used vehicle rent decreased by 17.6% to EUR 1.4 million (3M 2021: EUR 1.7 million). The total used vehicle rental fleet in Latvia remained stable and stood at EUR 10.0 million (31 December 2021: EUR 10.7 million).

Impairment expense for vehicle finance portfolio

Net impairment losses on loans and receivables increased by 110.0% to EUR 4.2 million (3M 2021: 2.0 million). The NPL ratio (Net NPL / Total net portfolio) amounted to 5% (conservative 35+ days past due) of the net portfolio (31 December 2021: 5%), the provision coverage ratio was 90% (31 December 2021: 93%).

Impairment expense for consumer lending portfolio

Net impairment losses on loans and receivables consolidated as of 31 March 2022 amounted to EUR 41.1 million. The NPL ratio (Net NPL / Total net portfolio) amounted to 3% (90+ days past due) of the net portfolio (31 December 2021: 4%), the provision coverage ratio was 146% (31 December 2021: 144%).

Operating expense

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

in EUR million	3M 2021	3M 2022	% change
Employees' salaries	6.0	7.7	28.3%
Marketing expenses	1.2	1.9	58.3%
Office and branch maintenance expenses	0.4	0.6	50.0%
Professional services	0.7	0.6	-14.3%
Amortization and depreciation	1.7	2.0	17.6%
Other operating income/(expenses)	1.8	2.3	27.8%
Total operating expense	**11.8**	**15.1**	**28.0%**

Total operating expenses increased by 28.0% to EUR 15.1 million (3M 2021: EUR 11.8 million) as a result of net loan portfolio growth. Salaries increased by 28.3% to EUR 7.7 million (3M 2021: EUR 6.0 million), comprising 51.0% of total operating expenses (3M 2021: 50.8%). Marketing expenses, with effective costs of EUR 10 per loan issued, accounted for 12.6% of total operating expenses (3M 2021: 10.2%).

Profit before tax

The consolidated profit before taxes amounted to EUR 6.6 million (3M 2021: EUR 4.1 million).

Corporate income tax

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

in EUR million	3M 2021	3M 2022	% change
Corporate income tax	(1.4)	(2.7)	92.9%
Deferred tax	0.3	0.4	33.3%
Total corporate income tax	**(1.1)**	**(2.3)**	**109.1%**

Profit for the period

The Group's net profit for the period was EUR 4.3 million (3M 2021: EUR 3.0 million).

Alternative performance measures (non-IFRS)

in EUR million	3M 2021	3M 2022	% change
Profit for the period	3.0	4.3	43.3%
Provisions for taxes	1.1	2.3	109.1%
Interest expense	6.9	6.9	0.0%
Depreciation and amortization	1.7	2.0	17.6%
Currency exchange loss	(0.2)	1.6	nm
EBITDA	**12.5**	**17.1**	**36.8%**
Amortization of acquisitions' fair value gain	0.9	-	
Adjusted EBITDA	**13.4**	**17.1**	**27.8%**

Condensed consolidated balance sheet

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

in EUR million	31 Dec. 2021	31 Mar. 2022
Intangible assets	14.4	14.7
Tangible assets	12.2	12.5
Loans and lease receivables and rental fleet	245.2	259.9
Deferred tax asset	2.8	3.6
Inventories	3.8	4.1
Non-current assets held for sale	2.4	1.4
Other receivables	12.8	14.1
Assets of subsidiary held for sale	12.9	15.8
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to 3rd parties	1.1	-
Cash and cash equivalents	10.1	16.3
Total assets	**320.0**	**342.4**

in EUR million	31 Dec. 2021	31 Mar. 2022
Share capital and reserves	1.8	1.8
Foreign currency translation reserve	0.2	(0.2)
Retained earnings	22.3	25.8
Non-controlling interests	7.1	8.1
Subordinated debt	17.3	17.0
Total equity	**48.7**	**52.5**
Borrowings	241.6	255.2
Other liabilities	29.7	34.7
Total liabilities	**271.3**	**289.9**
Total equity and liabilities	**320.0**	**342.4**

Assets

Total assets of the Group increased by 7.0% to EUR 342.4 million (31 December 2021: EUR 320.0 million), reflecting an increase in the net loan and used vehicle rent portfolio.

Tangible assets

Tangible assets increased by 2.5% to EUR 12.5 million (31 December 2021: EUR 12.2 million).

Net loan and used vehicle rent portfolio

The net loan and used vehicle rental portfolio increased by 6.0% to EUR 259.9 million (31 December 2021: EUR 245.2 million).

Net loan and used vehicle rent portfolio

in EUR million	31 Dec. 2021	Total share (%)	31 Mar. 2022	Total share (%)
Developed countries*	123.2	50.2%	125.0	48.1%
Developing countries**	59.2	24.1%	72.7	28.0%
Consumer loan markets	61.4	25.0%	62.2	23.9%
Countries on hold***	1.4	0.6%	-	0.0%
Total net loan and used vehicle rent portfolio	**245.2**	**100.0%**	**259.9**	**100.0%**

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

** Developing countries are Uzbekistan, Kenya and Uganda

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

Net loan portfolio split by product type

in EUR million	31 Dec. 2021	Total share (%)	31 Mar. 2022	Total share (%)
Flexible and subscription-based products	53.6	21.9%	47.8	18.4%
Traditional lease and leaseback products	130.2	53.1%	149.9	57.7%
Consumer lending products	61.4	25.0%	62.2	23.9%
Total net loan portfolio split by product type	**245.2**	**100.0%**	**259.9**	**100.0%**

With the legacy markets rationalized, the developing markets such as Kenya and Uganda continue to establish themselves as ones of key drivers of the future portfolio growth.
The Group is also capitalizing on recent consumer trends and gradually rolling out flexible lease and subscription-based products that comprised 18.4% of the total net loan portfolio as at 31 March 2022.
The consumer loan's portfolio stood at 23.9% from total net loan portfolio, which is in line with Group’s long term strategy regarding its net loan portfolio composition.

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

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

in EUR million	31 Dec. 2021	Total share (%)	31 Mar. 2022	Total share (%)
STAGE 1*	150.5	86.9%	160.5	85.4%
STAGE 2**	14.9	8.6%	17.9	9.5%
STAGE 3***	7.7	4.4%	9.5	5.1%
Total net loan portfolio	**173.1**	**100%**	**187.9**	**100%**
Used vehicle rent	10.7	5.8%	9.8	5.0%
Total net loan and used vehicle rent portfolio	**183.8**		**197.7**	
Net NPL ratio******	**5%**		**5%**	
Impairment coverage ratio*********	**93%**		**90%**	

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

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

*** Leases and loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Finance lease agreements are considered defaulted and therefore Stage 3 with 60 DPD on contractual payments or terminated lease agreement. For countries other than Latvia, Lithuania, Estonia, Armenia and Georgia a 35 DPD backstop is applied. Loans with 60 DPD are considered defaulted and therefore Stage 3.
A healing period of 3 months for mature countries and 2 months for immature countries is applied before an exposure previously classified as Stage 3 can be transferred to Stage 1. In case of mature countries, it is determined to have two healing periods – one month period to Stage 2 and further two month period to Stage 1. This is considered appropriate in context of a prudent default definition of 60 DPD. In case of immature countries, it is determined to have one healing period –two month period where the exposure is in Stage 2 and then transfers to Stage 1. This is considered appropriate in context of an even more conservative default definition of 35 DPD.
**** Net NPL (35+ days overdue) / Total net portfolio

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

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

Net consumer loan portfolio

in EUR million	31 Dec. 2021	Total share (%)	31 Mar. 2022	Total share (%)
STAGE 1*	57.6	93.8%	58.8	94.5%
STAGE 2**	1.4	2.3%	1.8	2.9%
STAGE 3***	2.4	3.9%	1.6	2.6%
Total net loan portfolio	**61.4**	**100%**	**62.2**	**100%**
Net NPL ratio******	**4%**		**3%**	
Impairment coverage ratio*********	**144%**		**146%**	

* Allowances are recognized based on 12m ECLs by first recognition of loans. Loans current or with up to 30 DPD are considered as Stage 1.

** Allowances are recorded for LTECLs by loans showing a significant increase in credit risk since origination. Loans with 31-90 DPD are considered to be Stage 2 loans.

*** Loans are considered credit-impaired and at default. Allowances are recorded for the LTECLs. Loans with 90 DPD are considered defaulted and therefore Stage 3.

**** Net NPL (90+ days overdue) / Total net portfolio

***** Total impairment / Gross NPL (90+ days overdue)

Equity

Total equity increased by 7.8% to EUR 52.5 million (31 December 2021: EUR 48.7 million). The capitalization ratio ended up at 21.0% (31 December 2021: 20.7%), providing good headroom for Eurobond covenants.

Liabilities

Total liabilities remained stable and stood at EUR 289.9 million (31 December 2021: EUR 271.3 million).

Loans and borrowings

The following table sets out loans and borrowings by type.

in EUR million	31 Dec. 2021	31 Mar. 2022
Loans from banks	7.6	15.3
Latvian Bonds	29.5	29.8
Eurobonds (excl. accrued interest)	142.2	140.4
Bonds acquisition costs and accrued interest	(2.4)	0.7
Financing received from P2P investors	62.3	67.5
Loans from other parties	2.4	1.5
Total loans and borrowings	**241.6**	**255.2**

Latvian bonds

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

Eurobonds

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

Subordinated bonds

On 7 March 2022, Eleving Group bonds (XS2427362491) were admitted to trading on the Nasdaq Baltic First North Market. The size of the Eleving Group bond issue is EUR 25 million. The bonds have a nominal value of EUR 1 000 each and a floating annual coupon rate of 12% + 6 month EURIBOR, with interest paid monthly. They mature on December 29, 2031.

Off-balance sheet arrangements

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

Condensed consolidated statement of cash flow

in EUR million	31 Mar. 2021	31 Mar. 2022
Profit before tax	4.9	6.5
Net cash flows to/from operating activities	11.6	(9.2)
Net cash flows to investing activities	(2.1)	2.1
Net cash flows from/to financing activities	(6.7)	13.3
Change in cash	2.8	6.2
Cash at the beginning of the year	9.3	10.1
Cash at the end of the year	12.1	16.3

Net cash outflow from operating activities amounted to EUR (9.2) million (3M 2021: cash inflow EUR 11.6 million). The Group's net cash inflow from investing activities totalled EUR 2.1 million (3M 2021: cash outflow EUR (2.1) million).

Eurobond covenant ratios

Capitalization	31 Dec. 2021	31 Mar. 2022	Change (in % p.)
Equity/Net loan portfolio	20.7%	21.0%	0.3
Profitability	**31 Dec. 2021**	**31 Mar. 2022**	**Change (in %)**
Interest coverage ratio (ICR)	2.5	2.6	5%
Leverage	**31 Dec. 2021**	**31 Mar. 2022**	**Change (in %)**
Net leverage	3.8	3.7	-3%

in EUR million	Mintos loans			Net loan and used vehicle rent portfolio			
Country	31 Dec. 2021	31 Mar. 2022	Change (%)	31 Dec. 2021	Total share (%)	31 Mar. 2022	Total share (%)
Armenia*	1.0	1.6	60.0%	9.9	5.4%	10.1	5.1%
Belarus*	10.0	8.9	-11.0%	19.3	10.5%	19.3	9.8%
Georgia*	4.2	5.2	23.8%	14.1	7.7%	14.5	7.3%
Kenya**	1.4	2.1	50.0%	39.2	21.3%	48.4	24.5%
Latvia*	5.8	6.7	15.5%	16.6	9.0%	16.1	8.1%
Lithuania*	2.3	1.9	-17.4%	25.3	13.8%	25.6	12.9%
Moldova*	5.5	7.0	27.3%	14.1	7.7%	14.2	7.2%
Romania*	10.6	12.6	18.9%	23.9	13.0%	25.2	12.7%
Uganda**	0.0	-	0.0%	13.4	7.3%	17.5	8.9%
Uzbekistan**	0.0	-	0.0%	6.6	3.6%	6.8	3.4%
Countries on hold***	0.0	-	0.0%	1.4	0.8%	-	0.0%
Total vehicle lease and rent	**40.8**	**46.0**	**12.7%**	**183.8**	**100%**	**197.7**	**100%**
Consumer loan markets	21.5	21.5	0.0%	61.4	33.3%	62.2	23.9%
Total	**62.3**	**67.5**		**245.2**		**259.9**	

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

** Developing countries are Uzbekistan, Kenya and Uganda

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

Recent developments

Regulatory Changes

No material regulatory changes have taken place since 31 March 2022.

Events after the balance sheet date

As of the last day of the reporting period until the date of publishing these unaudited results for the three months ended 31 March 2022 there have been no events requiring adjustment of unaudited results.

Directors' Statement

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

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

Consolidated statements of:

Financial Position – Assets
Financial Position – Equity and Liabilities
Income Statement and Statement of Cash Flow

Consolidated Statement of Financial Position – Assets

in EUR million	31 Dec. 2021	31 Mar. 2022
Assets		
Goodwill	4.2	4.2
Internally generated intangible assets	7.5	8.2
Other intangible assets	2.7	2.3
Loans and lease receivables and rental fleet	245.2	259.9
Right-of-use assets	9.1	9.3
Property, plant and equipment	2.5	2.5
Leasehold improvements	0.6	0.7
Receivables as a result of sale of subsidiaries to related parties	2.3	-
Receivables as a result of sale of subsidiaries to third parties	1.1	-
Loans to related parties	4.1	3.6
Other financial assets	1.8	1.6
Deferred tax asset	2.8	3.6
Inventories	3.8	4.1
Prepaid expense	1.7	2.0
Trade receivables	0.7	0.3
Other receivables	4.5	6.6
Assets of subsidiary held for sale	12.9	15.8
Assets held for sale	2.4	1.4
Cash and cash equivalents	10.1	16.3
Total Assets	**320.0**	**342.4**

Consolidated Statement of Financial Position – Equity and Liabilities

in EUR million	31 Dec. 2021	31 Mar. 2022
Equity		
Share capital	1.0	1.0
Retained earnings	22.3	25.8
Foreign currency translation reserve	0.2	(0.2)
Reserve	0.8	0.8
Total equity attributable to owners of the Company	**24.3**	**27.4**
Non-controlling interests	7.1	8.1
Subordinated debt	17.3	17.0
Total equity	**48.7**	**52.5**
Liabilities		
Borrowings	241.6	255.2
Provisions	0.1	0.2
Prepayments and other payments received from customers	0.9	0.6
Trade payables	2.7	2.0
Corporate income tax payable	3.7	5.8
Taxes payable	1.8	2.1
Other liabilities	10.1	11.0
Liabilities of subsidiary held for sale	6.1	9.0
Accrued liabilities	4.2	3.9
Other financial liabilities	0.1	0.1
Total liabilities	**271.3**	**289.9**
Total liabilities & equity	**320.0**	**342.4**

Consolidated Income Statement

in EUR million	3M 2021	3M 2022
Interest revenue calculated using the effective interest method	27.4	42.2
Interest expense calculated using the effective interest method	(6.9)	(6.9)
Net interest income	**20.5**	**35.3**
Fee and commission income	1.7	1.9
Revenue from rent	1.7	1.4
Total net revenue	**23.9**	**38.6**
Impairment expense	(6.5)	(13.4)
Expenses related to peer-to-peer platform services	(0.3)	(0.2)
Selling expense	(1.2)	(1.9)
Administrative expense	(11.4)	(14.3)
Other operating (expense) / income	(0.6)	(0.6)
Net foreign exchange result	0.2	(1.6)
Profit before tax	**4.1**	**6.6**
Corporate income tax	(1.4)	(2.7)
Deferred corporate income tax	0.3	0.4
Net profit for the period	**3.0**	**4.3**
Discontinued operations	0.7	(0.1)
Translation of financial information of foreign operations to presentation currency	-	(0.4)
Total comprehensive income for the period without FX	3.5	5.8
Total comprehensive income for the period	**3.7**	**3.8**

Consolidated Statement of Cash Flow

in EUR million	31 Mar. 2021	31 Mar. 2022
Cash flows to/from operating activities		
Profit before tax	4.9	6.5
Adjustments for:		
Amortisation and depreciation	1.7	2.0
Interest expense	6.9	6.9
Interest income	(27.4)	(42.2)
Loss on disposal of property, plant and equipment	1.4	0.5
Impairment expense	6.5	13.4
Loss from fluctuations of currency exchange rates	(0.2)	1.2
Operating profit before working capital changes	**(6.2)**	**(11.7)**
(Increase)/decrease in inventories	(0.2)	(0.4)
(Increase)/decrease in receivables	(12.6)	(33.5)
Increase/(decrease) in trade payable, taxes payable and other liabilities	13.2	(0.7)
Cash generated to/from operating activities	(5.8)	(46.3)
Interest received	26.7	42.2
Interest paid	(8.6)	(4.3)
Corporate income tax paid	(0.7)	(0.8)
Net cash flows to/from operating activities	**11.6**	**(9.2)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(2.3)	(1.4)
Purchase of rental fleet	(1.4)	(0.7)
Loan repayments received	1.6	4.2
Net cash flows to/from investing activities	**(2.1)**	**2.1**
Cash flows to/from financing activities		
Proceeds from borrowings	145.1	49.9
Repayments for borrowings	(151.8)	(36.6)
Net cash flows to/from financing activities	**(6.7)**	**13.3**
Change in cash	2.8	6.2
Cash at the beginning of the period	9.3	10.1
Cash at the end of the period	**12.1**	**16.3**

Latvian operations only

CONDENSED FINANCIAL INFORMATION OF JSC "MOGO" (consolidated)

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

in EUR million	3M 2021	3M 2022
Interest revenue calculated using the effective interest method	2.0	1.7
Interest expense calculated using the effective interest method	(1.2)	(1.0)
Net interest income	**0.8**	**0.7**
Fee and commission income	0.1	0.1
Revenue from rent	1.7	1.4
Total net revenue	**2.6**	**2.2**
Impairment expense	0.9	(0.3)
Selling expense	-	(0.1)
Administrative expense	(1.6)	(1.4)
Other operating (expense) / income	0.4	0.7
Profit before tax	**2.3**	**1.1**
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the period	**2.3**	**1.1**

Consolidated Statement of Financial Position – Assets, Equity and Liabilities (JSC "mogo" (consolidated))

in EUR million	31 Dec. 2021	31 Mar. 2022
Assets		
Loans and lease receivables and rental fleet	16.6	16.1
Loans to Eleving Group S.A.	35.6	35.7
Property, plant and equipment	0.8	0.7
Receivables from group companies	0.9	1.9
Other receivables	0.7	1.0
Prepaid expense	0.1	0.1
Cash and cash equivalents	0.4	0.9
Total assets	**55.1**	**56.4**

in EUR million	31 Dec. 2021	31 Mar. 2022
Equity		
Share capital	0.4	0.4
Other reserves	(1.8)	(11.2)
Retained earnings		
brought forward	10.2	15.9
for the period	5.6	1.1
Total equity	**14.4**	**6.2**
Liabilities		
Borrowings	37.8	38.5
Other provisions	1.8	10.5
Prepayments received from customers	0.1	0.1
Trade payables	0.1	0.1
Payables to related companies	0.4	0.3
Taxes payable	0.1	0.2
Accrued liabilities	0.4	0.5
Total liabilities	**40.7**	**50.2**
Total equity & liabilities	**55.1**	**56.4**

Glossary and important information

Definitions and alternative performance measures

- **Average income yield on net loan and used car rent portfolio** — the sum of annualized interest revenue calculated using the effective interest method and revenue from rent/average net loan and used car rent portfolio
- **Average net loan and used car rent portfolio** — the sum of net loan and used car rent portfolio as of the start and end of each period divided by two
- **Capitalization ratio** — equity (incl. subordinated debt)/net loan portfolio (excl. used car rent portfolio)
- **Cost/income ratio** — the sum of selling expense and administrative expense/sum of interest revenue calculated using the effective interest method, fee and commission income and revenue from rent
- **EBITDA** — net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, and net foreign exchange result
- **GROSS NON-PERFORMING LOANS (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables
- **Impairment coverage ratio** — total impairment/gross non-performing loans (NPLs)
- **Interest coverage ratio** — last twelve-month Adjusted EBITDA/interest expense calculated using the effective interest method less Eurobonds acquisitions costs and subordinated debt interest expense
- **Net NPL ratio** — non-performing loans (NPLs)/total net portfolio
- **Non-performing loans (NPLs)** — 35+ days overdue loan and used car rent portfolio receivables or 90+ days overdue consumer loan portfolio receivables less impairment provisions
- **Net profit before FX effect** — net profit for the period before net foreign exchange result
- **DPD** — days past due
- **Flexible lease and subscription-based products** — motorcycle-taxi financing in Kenya and Uganda, used vehicle rent in Latvia and Lithuania, new vehicle subscription in Latvia
- **ESG** - Environmental, Social, and Governance strategy

Market definitions

- **Developed markets** — Latvia, Lithuania, Estonia, Georgia, Armenia, Romania, Moldova, Belarus
- **Emerging markets** — Kenya, Uganda, Uzbekistan
- **On-hold markets** — Poland, Bosnia and Herzegovina
- **Consumer finance markets** — Albania, North Macedonia, Moldova, Ukraine

Important information

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

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

This announcement does not constitute a prospectus for the purposes of Directive 2003/71/EC, as amended (the "Prospectus Directive") and does not constitute a public offer of securities in any member state of the European Economic Area (the "EEA").

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

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

info@eleving.com
www.eleving.com

eleving-group

elevinggroup