MOGO Credit LLC
(UNIFIED REGISTRATION NUMBER 192981714)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Separate financial statements prepared in accordance with international financial reporting standards as adopted by the EU

Together with independent auditor's report

Minsk, 2023

CONTENTS

General information

Name of the Parent Company	MOGO Credit LLC	
Legal status of the Parent Company	JSC	
Unified registration number, place and date of registration	192981714 11th October 2017 Minsk, Republic of Belarus	
Registered office	220076, Minsk, Petr Mstislavets street, 24, office 172.	
Full name and address of the	Eleving Stella AS (Mogo Eastern Europe AS) from 23.06.2022	95,6%
	Others from 23.06.2022	4,4%
	TOTAL	**100%**
Ultimate parent company	Eleving Group S.A. (Mogo Finance S.A.), Luxembourg	
Board Members	Director Ivan Lagutin	
Council Members	Valerij Petrov - Chairman of Council from 17.08.2020.	
Financial year	1 January - 31 December 2022	
Previous financial year	1 January - 31 December 2021	
Auditors	FBK-Bel LLC Commercial licence No. 690398039 office 201-11, 22A Logoisky highway, Minsk, 220090, Republic of Belarus Engagement partner Alexey G. Petuh Certificate No 0000099 Auditor in-charge Renata V. Kirslite Certificate No 0002131	

MANAGEMENT REPORT

Type of activity

Mogo Credit LLC (the Company) is one of the largest long-term rental companies in Belarus. In 2022, the types of activities of the company were:
- Financial lease (leasing) (leasing of used cars and motorcycles to individuals). The Company was founded in October 2017 and since its establishment has taken a prominent position in the used car financial leasing segment.

The Companies Financial statements of 2022 has been approved by decision of the Board of Directors on 15 May 2023.

	2022	2021
Average number of employees	75	79,4

Brief descriprion of the Company's activities during the year under review

Mogo Credit LLC (Mogo Belarus) is a leasing company specialising in leasing used cars to individuals.

The company's key product is convenient, straightforward and simple financing for the purchase of cars of any make, model and year of manufacture.
The company started operations in Belarus in April 2018. In 2020, the company's leasing portfolio reached EUR 18.2 million, the total number of leased cars exceeded 6 thousand.
The company has offices in Minsk, Grodno, Brest, Gomel, Mogilev and Vitebsk. The company cooperates with more than 100 second-hand car dealerships all over the country.
According to the official rating of the Belarusian Association of Lessors in 2019 in the consumer leasing segment, the company ranked 1st in the industry by the number of leased cars, 3rd by the total value of leased cars, and 1st by business growth rate.

Future development of society

Mogo Credit LLC expects to remain profitable in the coming years. Stable and profitable operations are expected due to an active sales strategy, as well as the expansion of new segments.The main focus areas in 2022 will be to continue ensuring stable portfolio quality and providing improved customer experience for the Company's offered products

Proposals for using Company's profit or covering losses

The company plans to partly distribute retained earnings and pay dividends, and the other part of retained earnings the company plans to use to increase current turnover.

Management responsibility statement

15 May 2023

Management of Mogo Credit Ltd. is responsible for the preparation of the financial statements.

Management of the Company declares that, taking into account the information available to it, the financial statements have been prepared in accordance with the transactions reflected in the primary accounting records and the International Financial Reporting Standards and give a true and fair view of the assets, liabilities, financial position as at 31 December 2021, results of operations and cash flows as at 31 December 2022.

The Company's management confirms that suitable and consistent accounting policies and estimates have been used in the preparation of the financial statements. The Company's management confirms that the financial statements have been prepared on a going concern basis and prudent judgments and estimates have been made. The Company's management confirms its responsibility for keeping proper accounting records in connection with the monitoring, control and safeguarding of the Company's assets.

The Company's management is responsible for detecting and preventing errors, inaccuracies and/or fraud. The Management of the Company is responsible for operating the Company in compliance with the legislation of the Republic of Belarus. The management report gives a true and fair view of the development and performance of the Company.

Signed on behalf of the Company on 15 May 2023 by:

Ivan Lagutin
Director

signature

SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022	2021
		BYN	BYN
Interest revenue calculated using the effective interest method	7	22 133 992	22 399 978
Interest expense calculated using the effective interest method	8	(5 457 250)	(6 741 498)
Net interest income		**16 676 742**	**15 658 480**
Fee and commission income/(loss)	10	717 771	713 882
Impairment expense	12	(445 614)	585 043
Expenses related to peer-to-peer platform services	13	(233 163)	(338 550)
Other operating revenue	9	-	34 634
Selling expense	14	(346 027)	(890 599)
Administrative expense	15	(7 111 319)	(6 979 682)
Other operating income	16	5 979	3 856
Other operating expense	17	(381 346)	(490 385)
Net foreign exchange result	18	2 967 793	3 936 476
Profit before tax		**11 850 816**	**12 233 155**
Corporate income tax	19	(1 699 142)	(1 880 490)
Deferred tax	20	620 745	(564 122)
Net profit for the period		**10 772 419**	**9 788 543**

Profit is attributable to:		
Equity holders of the Company	10 772 419	9 788 543
Net profit for the year	**10 772 419**	**9 788 543**

The accompanying notes form are integral part of these financial statements.

Ivan Lagutin Director

signature

15th of May, 2023

Annual report drawn up by:
Elena Treskova
Chief of Financial department

signature

SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS	Notes	31.12.2022 BYN	31.12.2021. BYN
Intangible assets			
Concessions, patents, licences, trademarks and similar rights	21.1	1 278 855	69 532
Total intangible assets		**1 278 855**	**69 532**
Tangible assets			
Right-of-use assets	21.3	522 414	864 768
Property, plant and equipment	21.2	88 703	126 482
Total tangible assets		**611 117**	**991 250**
Non-current financial assets			
Finance lease receivables	22	26 031 906	36 355 879
Loans and advances to customers	23	563 608	1 127 782
Loans to non-related parties		-	-
Investments in subsidiaries		10 000	5 000
Investments in affiliates		-	-
Other non-current financial assets		-	-
Other loans and receivables		-	-
Deferred tax asset		858 155	237 410
Total non-current financial assets		**27 463 669**	**37 726 071**
TOTAL NON-CURRENT ASSETS		**29 353 641**	**38 786 853**
CURRENT ASSETS			
Inventories			
Purchased vehicles held for sale		3 480	73 953
Total inventories		**3 480**	**73 953**
Receivables and other current assets			
Finance lease receivables	22	15 702 335	17 515 800
Loans and advances to customers	23	551 125	964 287
Other loans and receivables	24	500 000	4 030 991
Non-current assets held for sale	25	-	-
Trade receivables	27	2 616	792
Prepaid expense	28	78 066	100 592
Other short term receivables from related parties		-	-
Other receivables	30	1 507 539	301 480
Accrued revenue		-	-
Total receivables and other current assets		**18 341 681**	**22 913 942**
Receivables			
Other investments in securities		-	-
		-	-
Cash and cash equivalents		886 685	715 736
TOTAL CURRENT ASSETS		19 231 846	23 703 631
TOTAL ASSETS		48 585 487	62 490 484

Ivan Lagutin Director ______ signature 15th of May, 2023

Annual report drawn up by:
Elena Treskova
Chief of Financial department ______ signature

EQUITY AND LIABILITIES

	Notes	31.12.2022	31.12.2021.
EQUITY		BYN	BYN
Share capital		125 000	125 000
Share premium		-	-
Reserve for B category shares		-	-
Reserve		-	-
Foreign currency translation reserve		-	-
Retained earnings/(losses)		978 526	1 066 366
brought forward		(9 793 894)	(8 722 177)
for the period		10 772 419	9 788 543
Reserve for financial guarantees		-	(822 538)
TOTAL EQUITY		**1 103 526**	**368 828**
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	26	-	787 904
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		**-**	**787 904**
LIABILITIES			
Non-current liabilities			
Borrowings	31	30 341 992	40 605 996
Other non-current financial liabilities		-	-
Total non-current liabilities		**30 341 992**	**40 605 996**
Current liabilities			
Borrowings	31	10 277 110	14 437 900
Prepayments received from customers		6 427	5 740
Trade payables		59 463	95 292
Payables to related parties	32	863 476	-
Corporate income tax payable		-	294 885
Taxes payable	33	1 176 621	1 124 107
Other liabilities	34	4 403 110	4 307 641
Accrued liabilities	35	353 762	462 191
Total current liabilities		**17 139 969**	**20 727 756**
TOTAL LIABILITIES		**47 481 961**	**61 333 752**
TOTAL EQUITY AND LIABILITIES		**48 585 487**	**62 490 484**

The accompanying notes form are integral part of these financial statements.

Ivan Lagutin Director _______________ 15th of May, 2023
signature

Annual report drawn up by:
Elena Treskova
Chief of Financial department _______________
signature

SEPARATE STATEMENT OF CASH FLOWS

	Notes	31.12.2022 BYN	31.12.2021. BYN
Cash flows to/from operating activities			
Profit before tax from continuing operations		11 850 816	12 233 155
Adjustments for:			
Amortization and depreciation		451 429	377 194
Interest expense	8	5 457 250	6 741 498
Interest income	7	(22 133 992)	(22 540 524)
Impairment expense	12	445 614	(585 043)
Financial guarantees	26		34 634
Effect of exchange rates on operating activities		(2 967 793)	(3 936 476)
Operating profit before working capital changes		**(6 896 676)**	**(7 675 562)**
Decrease/ (increase) in finance lease receivables, loans and		30 701 102	(9 470 043)
Increase in advances received and trade payables and guarantee		(9 797 342)	7 704 715
Cash generated to/from operations		**14 007 085**	**(9 440 890)**
Interest received		18 609 503	18 460 738
Interest paid		(5 978)	(4 450)
VAT and other taxes paid		(2 772 799)	(2 171 040)
Corporate income tax paid		(3 054 194)	(1 317 000)
Net cash flows to/from operating activities		**26 783 617**	**5 527 359**
Cash flows to/from investing activities			
Purchase of property and equipment and other intangible assets		(593 000)	
Investment in securities			(5 000)
Interest received		34 974	92 927
Net cash flows to/from investing activities		**(558 026)**	**87 927**
Cash flows to/from financing activities			
Proceeds from borrowings		12 443 000	35 520 000
Repayments for borrowings		(30 924 000)	(35 667 000)
Interest paid		(2 244 000)	(3 413 000)
Repayment of liabilities for right-of-use assets		(575 754)	(452 260)
Dividends paid		(4 753 888)	(792 000)
Net cash flows to/from financing activities		**(26 054 642)**	**(4 804 260)**
Change in cash		**170 949**	**811 026**
Net foreign exchange difference			(151 000)
Cash at the beginning of the year		715 736	55 710
Cash at the end of the year		**886 685**	**715 736**

The accompanying notes form are integral part of these financial statements.

Ivan Lagutin Director signature 15th of May, 2023

Annual report drawn up by:
Elena Treskova
Chief of Financial department signature

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital BYN	Fair value reserves BYN	Currency revaluation reserve BYN	Other Reserves BYN	Retained earnings BYN	**Total BYN**
Balance at 31.12.2020.	125 000	-	-	(1 784 563)	(2 607 967)	(4 267 530)
Dividends paid					(5 155 450)	**(5 155 450)**
Total shareholders' contributions and profit distributions recognized under equity	-	-	-	-	(5 155 450)	**(5 155 450)**
Profit for the reporting year					9 788 543	**9 788 543**
Total comprehensive income for the period	-	-	-	-	9 788 543	**10 750 568**
Change in net financial guarantees (Note 26)				962 025	(958 760)	**3 265**
Balance at 31.12.2021.	125 000	-	-	(822 538)	1 066 366	368 828
Dividends paid					(10 825 625)	**(10 825 625)**
Total shareholders' contributions and profit distributions recognized under equity	-	-	-	-	(10 825 625)	**(10 825 625)**
Profit for the reporting year					10 772 419	**10 772 419**
Total comprehensive income recognized in the reporting year	-	-	-		10 772 419	**10 772 419**
Change in net financial guarantees (Note 26)				822 538	(34 634)	**787 904**
Balance at 31.12.2022.	125 000	-	-	-	978 526	1 103 526

The accompanying notes form are integral part of these financial statements.

Ivan Lagutin Director _______________ 15th of May, 2023
signature

Annual report drawn up by:

Elena Treskova _______________

Chief of Financial department
signature

NOTES TO THE SEPARATE FINANCIAL STATEMENT

1. Corporate information

MOGO Credit LLC (the 'Company') is located in Belarus. The Company was incorporated on October 11, 2017 as a Limited Liability Company

Joint Stock Company "Eleving Stella" (AS Eleving Stella), which is a legal entity under the laws of the Republic of Latvia, registered on 28.01.2016, unified registration number: 40103964830, located at: Skanstes Street 52, LV-1013, Riga, Republic of Latvia;The Parent Company has 100% participating interest in MOGO Credit LLC

The main activity of the company is Financial Leasing (leasing) (leasing of used cars and motorcycles to individuals)

2. Summary of significant accounting policies

a) Basis of preparation

These financial statement as of and for the year ended 31 December 2021 and 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union.

The financial statement is affected by accounting policies, assumptions, estimates and management judgement (Note 3), which necessarily have to be made in the course of preparation of the financial statement.

The Company 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 Company'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 statement, when determinable. See Note 3.
The financial statement is prepared on a historical cost basis except for the recognition of financial instruments measured at fair value.

The presentation and functional currency of the Company is Belarusian ruble (BYN). The financial statement covers the period from 01 January 2022 till 31 December 2022. Accounting policies and methods are consistent with those applied in the previous years.

The management does not use segmental approach to operational decision-making. All of the Company's economic activities are carried out in one geographical segment - Republic of Belarus.

b)Reclassifying comparative indicators

As a result of the change in accounting policy, all repossessed vehicles were reclassified from FSA caption "Assets held for sale" to "Financial lease receivables". Balance sheet position "Assets held for sale"which consists of repossessed vehicles, once customer goes defaulted and the Company collects the vehicle., as at 31 December 2021 the Company has identified that was previously misstated in these separate financial statements for year 2021. The Company wrongly derecognized the loan receivable and recognized the vehicle on its own statement of financial position as an asset classified as "Assets held for sale" and measured at the lower of its carrying amount and fair value less costs to sell.. The Company has identified all repossessed vehicles that As a result, reclassification was made from the statement of financial positions caption "Non-current assets held for sale" to "Finance lease receivables" and "Loans and advances to customers" with corresponding effect in Note 20 "Non-current assets held for sale" Since the reclassification did not affect any core ratios of the Company, it is considered non-material and third balance sheet was not presented.

Statement of financial position -Assets

	Balance at 31.12.2021 in annual report for 2021	Reclassification	Balance at 31.12.2021
	BYN	BYN	BYN
Leaseback receivables (short term)	1 185 568	134 071	1 319 639
Finance lease receivables (short term)	19 566 393	731 865	20 298 258
Reposessed cars for sale	865 936	(865 936)	-
Provision for Doubtful Debts - finance lease (short term)	(3 860 621)	(293 822)	(4 154 443)
Provision for Doubtful Debts - leaseback (short term)	(408 654)	(76 056)	(484 709)
Impairment for repossessed cars	(369 878)	369 878	-
	16 978 744	-	**16 978 744**

2. Summary of significant accounting policies

c) Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future. In order to assess the reasonableness of this assumption, management analyses projections of future cash flows. Based on these analyses and, where applicable, the ongoing support of the Eleving Group, management believes that the Company will be able to continue as a going concern in the foreseeable future and accordingly the going concern basis of accounting has been applied in the preparation of these financial statements.

d) Standards issued but not yet effective and not early adopted

The following new and amended standards are not expected to have a significant impact on the financial statement.

The accounting policies in these financial statements have been applied consistently throughout the periods ended 31 December 2022 and 31 December 2021, respectively.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2022. See the applicable notes for further details on how the amendments affected the Company.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g., direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g., Allocation of depreciation charge on property, plant and equipment used in fulfilling the

The Company, prior to the application of the amendments, did not have any onerous contracts.

d) Standards issued but not yet effective and not early adopted (continued)

As a result of the amendments, certain other directly related costs have now been included by the Company in determining the costs of fulfilling the contracts. The Company has therefore recognised an additional onerous contract provision as at 1 January 2022.

In accordance with the transitional provisions, the Company applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

The effect of adoption of the IAS 37 amendments as at 1 January 2022 (increase/(decrease)) is disclosed.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

These amendments had no impact on the year-end consolidated financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41: Taxation in Fair Value Measurements

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

The following is a list of other new and amended standards which, at the time of writing, had been issued by the IASB but which are effective in future periods. The amount of quantitative and qualitative detail to be given about each of the standards will depend on each entity's own circumstances.

- IFRS 17 Insurance Contracts (effective 1 January 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to 1

3. Significant accounting policies

3.2.. Licenses and other intangible assets

Intangible non-current assets are initially stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.
Other intangible assets mainly consist of acquired computer software products.
Amortization is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Concessions, patents, licenses and similar rights - over 1 year;
Other intangible assets - acquired IT Systems - over 2, 3 and 5 years.

3.2. Property and equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Computers - over 3 years;
Furniture - over 5 years;
Vehicles - over 7 years;
Leasehold improvements - according to lease term;
Other equipment - over 2 years.

Amortization of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income in the impairment expense caption.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit and loss and other comprehensive income in the year the item is derecognized.

3.3. Financial assets

a) Financial assets - initial recognition

Date of recognition: Loans and advances to customers are recognised when funds are transferred to customer accounts. Other assets are recognised on the date on which the Company becomes a party to the contractual provisions of the instrument.

Initial measurement: The classification of financial instruments on initial recognition depends on the contractual terms and conditions and the business model for managing the instruments as described in more detail in the accounting policies. Financial instruments are measured initially at fair value and. except for financial assets and financial liabilities at fair value through profit or loss (FVPL), transaction costs are added to or deducted from that value. Other receivables are measured at the transaction price.

b) Classification of financial assets

The Company values loans and advances to customers, loans to related parties, receivables from related parties, cash equivalents and other loans and receivables at amortised cost only if both of the following conditions are met:
- Financial assets are held within the business model with the objective of holding the financial assets to collect the contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding.

Financial assets - (continue)

c) Assessing the business model

The Company defines its business model at the level that best reflects how it manages its financial assets to achieve its business objective - the risks affecting the performance of the business model (and the financial assets within the business model) and how these risks are managed. Frequency, value and expected timing of sales are also important aspects of the Company's assessment. The valuation of the business model is based on reasonably expected scenarios, without regard to 'worst case' or 'stress' scenarios. If the cash flows subsequent to initial recognition are not realized in line with the Company's original expectations, the Company does not change the classification of the remaining financial assets related to this business model but considers this information in evaluating the new financial position or the newly acquired financial assets in the future. The business model being evaluated has an intention to hold the financial assets to collect the contractual cash flows.

(d) SPPI test (excluding principal and interest payments)

As a second step in the classification process, the Company assesses the contractual terms of financial assets, where appropriate, to determine whether they meet the SPPI test. Financial assets which are subject to the SPPI test are loans and advances to customers (including financial assets derived from sale and leaseback transactions discussed in a separate section of this note) and loans to related parties, which include payments of principal and interest only. "Principal" for the purposes of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, upon repayment of principal or amortisation of premiums/discounts). The most significant elements of interest in a loan agreement are usually the accounting for the time value of money and credit risk.

In assessing whether contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes an assessment of whether the financial asset contains contractual terms that modify the timing or amount of the contractual cash flows in a way that is not consistent with that term. In making this assessment, the Company considers primarily
- contingent events that could change the amount and timing of cash flows;
- terms of prepayments and renewals; and
- conditions that limit the Company's receivables to cash flows from certain assets (e.g. non-recourse loans).

Typically, loan agreements provide that in the event of a guarantee being returned and a default under the guarantee, the claim is not limited to the collection of the guarantee, and if the amount of the guarantee does not cover the remaining debt, additional resources may be requested from the borrower to compensate for the credit risk loss. Consequently, this does not create an obstacle to passing the SPPI test. However, in some cases the company's loans secured by the borrower's guarantee limit the company's claim to cash flows from the underlying collateral (nonrecourse loans). The Company applies judgement in assessing whether non-recourse loans meet the SPPI test. Generally, in making this judgement the company considers the following information
- whether the contractual agreement specifies the specific amounts and dates of cash repayments on the loan;
- The fair value of the collateral in relation to the value of the underlying loan
- the borrower's ability and willingness to make the contractual payments despite the impairment of the secured loan;

Reclassification of financial assets: The Company does not reclassify its financial assets after initial recognition except in exceptional circumstances when the Company acquires, sells or closes a business.
Financial liabilities are never reclassified.

(e) Derecognition of financial assets and finance lease receivables

The derecognition provisions below apply to all financial assets measured at amortised cost and finance lease receivables.

Derecognition due to a material change in terms and conditions

The Company derecognises loans or finance lease receivables to customers when the terms have been renegotiated to such an extent that they become substantially new loans or leases, with the difference recognised as a gain or loss on derecognition to the extent of the impairment loss not yet recognised. Newly recognised loans are classified as stage 1 for ECL measurement purposes unless the new financial asset is considered to be acquired or impaired (POCI).

In assessing whether a financial asset should be derecognised, the Company considers, among other things, the following qualitative factors:
- Changes in the currency of the loan
- Change in the composition of the counterparty
- If the change is such that the instrument no longer meets the SPPI criteria
- Whether legal obligations have been extinguished

In addition, in the case of loans and advances to customers and finance lease receivables, the Company specifically considers the purpose of the modification. It assesses whether the modification was introduced for commercial (business) reasons or for the purpose of restructuring a loan. A modification is considered to have been introduced for business reasons if the DPD (number of days in arrears) of the counterparty immediately prior to the modification is less than 5 DPD. In such cases, the modification is deemed to have been made for commercial purposes and results in the derecognition of the old contract and the related loan/lease receivable. Such modifications include an increase in the amount or term of the loan agreement agreed with the customer for commercial purposes (e.g., both the customer and MOGO are jointly interested in a material change in the purpose of the lease/loan transaction).

Other changes to the terms and conditions of the agreement shall be regarded as changes that do not result in derecognition (see "Changes" below).

a) Financial assets - (continue)

Derecognition for reasons other than material change

A financial asset or finance lease receivable (or, where applicable, a part of a financial asset or finance lease receivable or part of a Company with similar financial assets or finance lease receivables) is derecognised when the rights to receive cash flows from the financial asset or finance lease receivable have expired. The Company also derecognises a financial asset or finance lease receivable when it has transferred the financial asset or finance lease receivable and the transfer qualifies for derecognition. The Company has transferred a financial asset or finance lease receivable if it has transferred its contractual rights to receive cash flows from the financial asset or finance lease receivable.

Transfer agreements are transactions in which the Company retains contractual rights to receive cash flows from a financial asset (the "original asset") but assumes a contractual obligation to pay those cash flows to one or more entities (the "eventual transferees") when the three conditions set out below are met:
- The Company has no obligation to pay amounts to the Contingent Recipients unless it has received equivalent amounts from the original asset, other than short-term advances to the Company with the right to repay the loan amount in full plus accrued interest at market rates;
- the Company may not sell or pledge the original asset other than as security for cash flow obligations to the ultimate recipients;
- The Company must remit any cash flows it collects on behalf of the ultimate recipients without material delay. In addition, the Company is not permitted to reinvest such cash flows, other than investments in cash or cash equivalents during the short calculation period from the date of collection to the date of the required transfer to the ultimate recipients and the interest earned on such investments is transferred to the ultimate recipients.

A transfer qualifies for derecognition only if:
- the entity has transferred substantially all the risks and rewards of the asset, or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(f) Modifications

The Company amends the original terms of the loan/lease in response to financial difficulties experienced by the lessee, but does not take possession of or seize the leased asset. The Company considers a lease/tenancy agreement restructured if the modification is a result of an existing or anticipated financial difficulty of the borrower and the Company would not have agreed to it if the borrower's financial position had been sound. Indicators of financial distress are defaults or DPDs that precede modifications. Such modifications may include extending the payment arrangements and agreeing to new loan terms.

If the modification does not result in a significant change in cash flows, as discussed above, the modification does not derecognise. Based on the change in cash flows discounted at the original effective interest rate (EIR), the Company recognises the gain or loss in interest income/expense calculated using the effective interest method (Note 7) in profit or loss to the extent that an impairment loss has not already been recognised. Further information on the modified financial assets and finance lease receivables is provided in the following impairment section.

As described in the section "Derecognition due to a material change in terms", if the modification is for commercial reasons, it is deemed to result in the derecognition of the original finance lease/loan. Such changes include an increase in the lease amount and an increase in the lease term that are agreed with customers for commercial reasons (e.g., customers and the Company are interested in a material change in the terms of the lease/loan). When such a change agreement is reached, recognition of the old agreement and the related claim is discontinued.

3.3.. Financial assets (continued)

Disclosure of non-essential changes

If the cash flow expectations of a fixed rate financial asset are revised for reasons other than credit risk, the changes in the future contractual cash flows are discounted to the original EIR with a corresponding adjustment to the carrying amount. The difference with the previous carrying amount is recorded as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income/expense calculated using the effective interest rate method.

The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. Where the change in the carrying amount of a financial asset or a financial liability measured at amortised cost does not result in derecognition, the gain/loss on the change is calculated. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Changes in the contractual cash flows of the asset are recognised in the statement of comprehensive income and any costs or expenses incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining life of the modified instrument. Therefore, the initial EIR determined on initial recognition is revised on modification to reflect any costs or expenses incurred.

g) Analysis of the expected credit loss (ECL) principles

The Company recognises an allowance for expected credit losses for all loans and other financial assets not carried at fair value through profit or loss, as well as for finance lease receivables (since lease receivables do not contain an unguaranteed residual value due to the nature of the lease, the provisions of IFRS 9 apply to the total balance of finance lease receivables). in this section they are all referred to as "financial instruments".

If there has been no significant increase in credit risk since initial recognition, the provision for ECL is based on 12-month expected credit losses (12 mECL), as shown below. Where a significant increase in credit risk has occurred since initial recognition, the ECL provision is based on the credit losses that are expected to arise over the life of the asset (lifetime expected credit losses or LTECL). The Company's policy for determining significant increases in credit risk is described below.

12-month ECL is the part of LTECL that represents the ECL arising from the probability of default possible within 12 months after the reporting date. Both LTECL and 12-month ECL are calculated either individually or collectively, depending on the nature of the relevant portfolio of financial instruments.

The Company has established a policy to assess the credit risk of a financial instrument at the end of each reporting period to determine whether it has increased significantly since initial recognition, taking into account the changes in the risk of default over the remaining term of the financial instrument. This is explained in more detail in the section "Significant increase in credit risk".

3.4. Impairment of financial assets other than loans and advances

Impairment of other receivables from customers/contract assets (Trade receivables)

In 2022 estimates ECL based on a simplified approach. The simplified approach for calculating ECL is justified by the nature of the product - an allowance matrix can be applied to trade receivables. A provisioning matrix is nothing more than the application of appropriate loss rates to the outstanding balances of trade receivables.

The Company's underlying assets - finance lease receivables, loans and advances to customers - are of an individual nature and are therefore classified by product (finance lease receivables, loans and advances to customers) for the collective ECL calculation, which is primarily based on days overdue (DPD), the Company analyses its portfolio of finance lease receivables, loans and advances to customers, segregating receivables according to product Company, number of days p Finance lease receivables and secured loans (loans secured by vehicles) are combined due to the similar nature of the products.

The Company monitors all assets that are subject to ECL on an ongoing basis. To determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. When assessing ECL on a collective basis for a company with similar assets, the Company applies the same principles to assess whether there has been a significant increase in credit risk since initial recognition in the country portfolios, based on whether the product is a lease or a loan.

For the sake of more accurate ECL assessment the Company divides portfolio into buckets based on DPD (days past due) and debt collection stages, as debt collections process triggers important milestones that affect recoverability of the receivable.

The DPDs are splitted into periods by days - by ageing:
• current
• 1-30 DPD (Bucket consists of receivables 1 to 35 days past due date)
• 61-90 DPD (Bucket consists of receivables 61 to 90 days past due date)
• 91-180 DPD (Bucket consists of receivables 91 to 180 days past due date)
• >=180 DPD (Bucket consists of receivables equal or above 180 days past due date)

3.4.. Impairment of financial assets other than loans and advances (continued)

We can observe that each of the agreements (Client) is classified in the specific bucket, based on the days past due the last monthly payment of agreement:
• Current (All of payments from Customer are received up to date, no overdue payments or other mistakes are observed)
• 1-30 DPD (Rent payment is overdue for 1-30 days past due)
• 31-60 DPD (Rent payment is overdue for 31-60 days past due)
• active settlement agreement
• for repossession
• for sale
• payment schedule
• inkasso
• unsecured in process
• low probability of recovery, which further is divided into 13 more classifications in order to understand if there is a chance to receive the recovery or if cession is possible.

For active agreements historical cure rates are used, which represents recovery in certain period since the agreement started delaying particular number of days. Cure Rate shows how many delaying invoices were recovered during time horizon. Horizon which is taken for recovery is 60 days corresponding early debt collect stage.

For terminated agreement triangle recovery matrix is used, which represents recovery by months since the agreement got particular debt collection status. Horizon over which recovery is calculated is called horizontal window, and its length depends on the length of the representative history. To avoid seasonality fluctuations recovery of the last 'n' available months (vertical window) is summed in each respective month of horizontal window. Length of vertical window depends on the stability of business processes and can be shorter than 12 months (full calendar year), if such horizon includes not comparable from underwriting, pricing, and product prospective periods. However, vertical horizon should not be shorter than 3 months. For agreements prepared for cession, historical cession price is used discounted by average days till cession.

Based on the above process, the Company classifies leases and loans into stages 1, 2 and 3 as described below:

-Stage1: The company recognises a provision based on a 12-month ECL. The company treats current or overdue indebtedness of up to 30 days as stage 1.
A 2-month recovery period is applied to move a facility previously classified as stage 2 to stage 1 and such facility must meet the general DPD criteria of stage 1 above. The recovery period concept does not apply to unsecured loans. Risks are no longer classified as Stage 1 if they no longer meet the above criteria.

- Stage 2: When the credit risk on the lease/loan increases significantly from the time of granting, the Company makes provision under LTECL. In general, the Company considers a lease/credit that is 31-60 days overdue to be in stage 2. In addition, an unsecured loan is considered to be in stage 2 if the DPD is between 31-60 days. Lease loans remain in stage 2 during the 2-month recovery period, even if they would otherwise have met the stage 1 criteria above during that period.

- Stage 3: Lease agreements that are deemed impaired due to credit risk and are not fulfilled. The company makes provision for LTECL.

The Company considers the finance lease/loan agreement to be in default and therefore in all cases where the borrower is 61 days overdue on the agreement or the agreement is terminated, it is classified as Stage 3.The risks remain at Stage 3 during the 1 month surveillance period, even if during this period they would have met the Stage 2 criteria above.

ECL calculation

The Company calculates ECL based on probability-weighted scenarios to measure expected cash shortfalls, discounted to approximate EIR. A cash shortfall is the difference between the cash flows due to the Company under the contract and the cash flows the Company expects to receive.

The main elements are as follows:

- PD Probability of default is an estimate of the probability of default within 12 months or lifetime (the time horizon depends on the ECL type - i.e. 12mECL or LTECL). The Default Distribution Vector (DDV) is the estimate of the time to default, more precisely it provides the distribution of PD over a 12 month period or lifetime.

- EAD Exposure to default risk is an estimate of exposure to default risk at a future date, taking into account expected changes in exposure after the reporting date, including repayments, whether contractually scheduled or otherwise.

- LGD Loss Given Default is an estimate of the losses incurred in the event of a default on a given date. It is based on the difference between the contractual cash flows due and those that the creditor would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of EAD.

- The maximum period for which credit losses are determined is the average remaining contractual life of a financial instrument.

- Macroeconomic Factors

3.4.. Impairment of financial assets other than loans and advances (continued)

ECL calculation (continued)

The company can choose to use the actual balance instead of EAD and not apply DDV for high credit risk segments

The company applies a multi-stage multiplication model to calculate ECL:

ECL=EAD*PD*LGD*[DDV]

Since DDV is a multidimensional vector (generally 12 or 13 dimensions, but may be shorter if representative historical data are available for a shorter period) it is aggregated into a single value before multiplication - [DDV]. The aggregated DDV value is obtained as follows:

each DDV value is multiplied by the discount factor;
- the discount factor is calculated on a regular basis (e.g. NPV formula), where the discount is calculated on the EIR of the portfolio and the number of periods corresponds to the size of the respective DDV value;
- DDV] is the sum of all respective multipliers of the DDV values by the respective discount factors.

Depending on the Stage, the following specific steps are applied to the general ECL model:

Stage 1: the probability of default over 12 months is calculated. The company calculates an expected loss adjustment using the probability of impairment over the next 12 months (or shorter if the product life is less than 12 months or if there is representative historical data for a shorter period) and the 12-month horizon impairment distribution vector. These 12-month default probabilities are applied to an estimated default exposure and multiplied by the expected LGD and REDUCED by an approximation of the initial effective interest rate using the depreciation distribution vector, thereby incorporating the time to depreciation in the model.

Stage 2: When a loan has shown a significant increase in credit risk since initial recognition, the Company records an adjustment for expected losses over the life of the loan. The mechanism is as explained above, but the probability of impairment and the impairment distribution vector are estimated over the life of the instrument. Expected cash shortfalls are discounted by an approximation to the original EIR using the DDV.

Stage 3: For loans deemed impaired, the Company recognizes expected credit losses over the life of these loans. The method is similar to that for Stage 2 assets, with the probability of impairment set at 100%.

ECL for restructured and amended loans

Some types of client modifications that serve to renegotiate the terms of a previously defaulted agreement categorized in Stage 3 for a one-month recovery period, followed by a two-month observation period in Stage 2. In the case of a modification of the previously defaulted credit (generally term extension), the exposure is moved to Stage 2 for an observation period of 2 months.

Write-off of bad debts
The Company will consider any type of debt as totally bad if all legal action has been taken to recover the debt or it has been declared unrecoverable by court decision. Bad debts are written off in full after three years, in case of death and no heirs apparent.

3.5. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
- Financial liabilities at fair value through the statement of comprehensive income Financial liabilities at fair value through the statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of comprehensive income.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.
Financial liabilities designated upon initial recognition at fair value through the statement of comprehensive income are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through statement of comprehensive income.

Change in the financial liabilities

For financial liabilities, the Company considers the change to be significant on the basis of qualitative factors (interest rate, contractual maturity) and if it results in a difference between the present value and the initial carrying amount of the financial liability of ten percent or more. If the change is significant, a gain or loss on derecognition is recognised. If the modification does not result in a significant change in the cash flows, the modification does not result in derecognition.

3.5.. Financial liabilities (continued)

Addressing non-significant changes

If cash flow estimates for fixed rate financial liabilities are revised, then changes in future contractual cash flows are discounted at the original effective interest rate with a corresponding adjustment to the carrying amount. The difference from the previous carrying amount is recorded as a positive or negative adjustment to the carrying amount of the financial liability in the statement of financial position with a corresponding increase or decrease in interest income/expense calculated using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation relating to the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same creditor, on substantially different terms, or the terms of an existing liability are materially changed, such exchange or change is treated as derecognition of the original liability and recognition of a new liability. The difference between those carrying amounts is recognised in the statement of comprehensive income.

3.6. Loans and borrowings

All loans, borrowings and funding raised through peer-to-peer lending platforms are initially recognised at cost, being the fair value of the consideration received less the issuance costs associated with the loan.

After initial recognition, loans, borrowings and financing attracted through Peer-to-Peer platforms are subsequently measured at amortised cost using the effective interest method.

The amortised cost is calculated taking into account any issue costs and any discount or premium at the time of settlement.

Gains and losses are recognised in the statement of comprehensive income as interest income/expense when debts are not recognised through the amortisation process.

3.7. Clearing of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements of the financial position if there is a legally enforceable right at that time to set off the recognised amounts and there is an intention to establish a net basis, realise the assets and settle the liabilities simultaneously.

3.8. Provisions for financial guarantees and other reserves

Where a contract meets the definition of a financial guarantee contract, the Company, as issuer, applies the specific accounting and measurement requirements of IFRS 9. These measurement requirements of IFRS 9 are applied to all guarantee contracts, including guarantees issued between entities under common control and guarantees issued by a subsidiary on behalf of a parent entity. Where the guarantee is issued to the Company's shareholders in their capacity as owners, the Company treats such transactions as an increase in Provisions for financial guarantees and an equal-equal decrease in equity (as a distribution of equity). The decrease in equity as a result of issuing financial guarantees to the parent company is recognised in Other reserves.

Financial guarantees are recognised initially at fair value. Subsequently, unless the financial guarantee contract is initially designated as at fair value through comprehensive income, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of comprehensive income and the provision for expected credit loss determined in accordance with IFRS 9 (as set out in Note 3). Amortisation is recognised in the statement of comprehensive income under 'Other operating income' on a straight-line basis over the term of the guarantee.

3.9. Financial leasing - Company as leasing company

Finance leases, which generally transfer all risks and rewards of ownership of assets, are recognised as assets at amounts equal at the inception of the lease to the net investment in the lease. Finance income is allocated over a period of time in accordance with the term of the lease to produce a constant return on the net investment in the lease balance.

Finance lease receivables are recognised and measured in accordance with IFRS 16. The provisions of IFRS9 apply to the following:

(1) the derecognition provisions clause,

(2) "expected credit loss" requirements,

(3) the relevant provisions applying to leased derivatives.

The company is engaged in finance lease transactions by selling vehicles to its customers through finance leases.

At the conclusion of a leasing agreement, the Company assesses whether the agreement is or contains a lease. The date of initiation of the leasing agreement is the earlier of the date of the lease agreement and the date of the commitment of the parties to the main provisions of the leasing agreement

The commencement of the lease is the date from which the lessee is entitled to exercise the right to use the leased asset. It is the date of initial recognition of the lease (i.e. recognition of assets, liabilities, income or expenses arising from the lease, as appropriate).

A lease is classified as a finance lease at the inception of the lease if it transfers substantially all the risks and rewards of ownership. Lease inception is the earlier of the date of the lease and the date of the parties' commitment to the main provisions of the lease. From this date:

3.9. Financial leasing - Company as leasing company (continue)

the lease transfers ownership of the asset to the lessee at the end of the lease term;
- the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable so that, at the inception of the lease, it is reasonably certain that the option will be exercised;
- the term of the lease is for most of the economic life of the asset, even if title is not transferred;
- at the inception of the lease, the present value of the minimum lease payments is at least substantially equal to the fair value of the leased asset.
- Leased assets are of a specialised nature, so that only the lessee can use them without major modifications.

Other indicators that, individually or in combination, would also lead to the classification of a lease as a finance lease are:
- the lessee may cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from fluctuations in the fair value of the residual are passed through to the lessee.

a) Initial assessment

At the inception of the lease, the Company accounts for a finance lease as follows:
- derecognizes the carrying amount of the underlying asset;
- recognises the net investment in the lease;
- recognizes, in profit or loss, any gain on sale or loss on sale

At the inception of the finance lease, the Company records the net investment in leases, which consists of the sum of the minimum lease payments receivable by the lessor and the gross investment less uncollected interest income from the lease. The difference between the gross investment and the present value of the investment is recorded as uncollected finance lease income. Initial direct costs, such as customer commissions and commissions paid by the Company to car dealers, are included in the initial valuation of lease receivables. Calculations are made using the effective interest method.

Prepayments and other payments received from customers are normally recorded in the statement of financial position on receipt and settled against the finance lease of the respective customer at the time of the next monthly invoice in accordance with the payment schedule.

b) Further evaluation

Finance lease income consists of the amortisation of unearned finance lease income.Finance lease income is recognised on the basis of a model that reflects a constant periodic rate of return on the net investment based on the effective interest rate on the finance lease.

The Company recognises revenue from variable payments that are not included in net investment in (e.g. performance-based variable payments such as penalties or revenue from collection of receivables) separately in the period in which the revenue is earned under "Fee and commission income" in accordance with IFRS 15.

The company applies the derecognition and impairment requirements of IFRS 9 on net investment in leases

c) Sale and leaseback transactions

The company is also engaged in financing vehicles already owned by customers. In these leasing transactions, the Company acquires the underlying asset and then leases it to the same customer. The vehicle serves as collateral to secure all leases. The Company applies the requirements for determining when a performance obligation is satisfied under IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset by the seller-lessee does not meet the requirements of IFRS 15 to be accounted for as a sale of the asset, the lessee-buyer will not recognise the transferred asset and will recognise a financial asset equal to the proceeds from the transfer. It will account for the financial asset as loans and advances to customers by applying IFRS 9.

The company has conducted the SPPI test for its sale and leaseback agreements. The vehicle serves as collateral to secure all these loans. The sale and leaseback agreements include contractual terms that may vary contractual cash flows in a manner unrelated to an underlying loan agreement. Such cash flows arise in the case or default of borrowers and relate to sales of returned vehicles for which any excess proceeds may be retained by the Company and commissions and other fees charged to the customer that are not directly related to principal/interest (e.g., external debt collection costs that are charged to customers with markups). Other contractual elements relevant to the valuation of SPPI include options to repurchase leased assets if the option value is below the market value of the automobile at the time of exercise and significant termination penalties for certain contracts.

The Company has made relevant assessments and has concluded that the SPPI test is met in all of the above circumstances, as:
1) repossession fees and commissions charged by the Company are intended to cover the costs incurred by the Company in servicing debt under the regular lending model,
2) the fact that, in certain circumstances, the Company retains proceeds from the sale of the repossessed car in excess of the recovered exposure (if any) is not evidence that the risk assumed by the Company is in fact the price risk of the car and not the credit risk. The Company is only able to sell the collateral and retain any excess in the event of default, and the occasional gains from the transaction are merely a tool to minimize credit losses.
3) Termination penalties on sale and leaseback transactions not recoverable charged to customers are also contractual items intended to offset credit risk and do not result in any significant gains to the Company.

3.10. Cash and cash equivalents

Cash comprises cash at bank and on hand with an original maturity of less than three months.

3.11. Vacation pay reserve

Vacation pay reserve is calculated based on Belarussian legislation requirements.

3.12. Transactions with peer-to-peer platforms

Background

The Company, as loan originator, has signed cooperation agreements with operator of a peer-to-peer (P2P) investment internet-based platform. Cooperation agreements and the related assignment agreements are in force until parties agree to terminate. Purpose of the cooperation agreement for the Company is to attract funding through the P2P platform.

P2P platform makes possible for individual and corporate investors to obtain a fully proportionate interest cash flows and the principal cash flows from debt instruments (finance lease receivables or loans and advances to customers) issued by the Company in exchange for an upfront payment. These rights are established through assignment agreements between investors and P2P platform, who is acting as an agent on behalf of the Company.

Assignment agreements are of two types:
1) Agreements with recourse rights which require the Company to guarantee full repayment of invested funds by the investor in case of default of Company's customer (buy back guarantee);
2) Agreements without recourse rights which do not require the Company to guarantee repayment of invested funds by the investor in case of default of the customer (no buy back guarantee).

The Company retains the legal title to it's debt instruments (including payment collection), but transfers a part of equitable title and interest to investors through P2P platform.

Receivables and payables from/to P2P platform

P2P platform is acting as an agent in transferring cash flows between the Company and investors. Receivable for attracted funding from investors through P2P platform corresponds to the due payments from P2P platform.

Receivable is arising from assignments made through P2P platform where the related investment is not yet transferred to the Company (Note 27).

P2P platform commissions and service fees incurred by the Company are fees charged by P2P platform for servicing the funding attracted through peer-to-peer platform and are disclosed in Note 12.

Funding attracted through peer-to-peer platform

Liabilities arising from assignments with or without recourse rights are initially recognized at cost, being the fair value of the consideration received from investors net of issue costs associated with the loan.

Liabilities to investors are recognized in statement of financial position caption Other borrowings (Note 31) and are treated as loans received.

After initial recognition Funding attracted through peer-to-peer platform is subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in the statement of comprehensive income as interest income/ expense when the liabilities are derecognized.

Company has to repay to the investor the proportionate share of the attracted funding for each debt instrument according to the conditions of the respective individual agreement with Companies' client, which can be up to 72 months.

Assignments with recourse rights (buy back guarantee)

Assignments with recourse rights provide for direct recourse to the Company, thus do not meet the requirements to be classified as pass-through arrangement based on IFRS 9.

Therefore, the Companies's respective debt instruments do not qualify to be considered for partial derecognition and interest expense paid to investors is shown in gross amount under Interest payments and similar expenses (Note 8).

Assignments without recourse rights (no buy back guarantee)

Assignments without recourse rights are arrangements that transfer to investors substantially all the risks and rewards of ownership equal to a fully proportionate share of the cash flows to be received from Companies' debt instruments. Therefore, such arrangements are classified as pass-through arrangements in accordance with IFRS 9.

As such, a fully proportionate share, equal to investor's claim in relation to the related debt instrument, is derecognized.

3.13. Other reserves

Other reserves is used to record the effect of transactions with owners in their capacity as owners and includes financial guarantees given by the Company.

3.14. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

3.15. Recognition of expenses

Expenses are recognized as incurred. Expenses are recognized net of the amount of value added tax. In certain situations value added tax incurred on a services received or calculated in accordance with legislation requirements is not recoverable in full from the taxation authority. In such cases value added tax is recognized as part of the related expense item as applicable. The same principles is applied if value added tax is not recoverable on acquisition an asset.

3.16. Income and expenses from contracts with clients

Revenue from contracts with customers that fall within the scope of IFRS 15 comprises goods or services sold as a result of the Company's ordinary activities. The Company uses the following criteria to identify contracts with customers:
- the contracting parties have agreed to the contract (in writing, orally or in accordance with other usual commercial practices) and undertake to perform those obligations;
- the rights of each party in respect of the goods or services to be transferred can be identified;
- terms of payment for the goods or services to be transferred may be identified;
- the contract is commercial in nature (i.e. the risk, term or value of the Company's future cash flows are expected to change as a result of the contract);
- the Company is likely to receive the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

Revenue is recognized in accordance with the related standard's requirements and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

3.17. Income and expenses from fees and commissions

Income from debt collection activities and penalties earned (timing)

Revenues from debt collection activities and penalties are recognized in the Company's statement of comprehensive income at the time when the probability of settlement of the consideration for such services is high, therefore revenue is recognized only when actual payment for services rendered is received.

Penalty income arises when customers breach the contractual terms of finance lease receivables and payables and advances to customers, such as exceeding the payment date. In these situations, the Company has the right to charge customers in accordance with the terms of the agreement. The Company recognizes penalty income upon receipt of cash, as the likelihood and timing of settlement is uncertain. If customers do not pay the penalty amount, the Company has the right to initiate recovery of the pledge.

Income from debt collection activities usually arises when customers are late with payments due. As a lessor, the Company is entitled to protection under lease contracts with customers, which requires customers to maintain and preserve the condition of the vehicle, as it serves as insurance for the lease contract. The Company's income includes compensation for internal and external costs incurred by the Company in connection with debt management, legal fees, as well as recovery of the vehicle in the event of termination of the lease, which are charged to customers in accordance with the terms of the lease contract. Debt collection revenue is recognized on a net basis (agent) as these amounts are collected from customers in accordance with the terms of the contract and the Company does not have control of these services prior to their transfer to a customer The performance obligation is satisfied when the service has been provided.

3.18. Income taxes

The Company's income tax includes both current and deferred taxes. Current income tax was applied at the statutory rate of 18%. The same rate of 18% was applied for deferred tax.

3.19. Receivables and debts related to deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.20. Distribuire dividende

The distribution of dividends to the Company's shareholders is recognised as a liability based on the decision approved by the shareholders. Note 29

3.21. Lease term determination under IFRS 16 (Company as a lessee)

IFRS 16 requires that in determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract in accordance with IFRS 15 and determine the period for which the contract is enforceable. In assessment of lease term determination the Company considers the enforceable rights and obligations of both parties. If both the lessee and the lessor can terminate the contract without more than an insignificant penalty at any time at or after the end of the non-cancellable term, then there are no enforceable rights and obligations beyond the non-cancellable term. For lease agreements without a fixed term and agreements that are "rolled over" on monthly basis until either party gives notice the company considers that it does have enforceable rights and obligations under such agreements, therefore a reasonable estimate of the lease term assessment is made.

In considering the Company's options to extend or not to terminate the lease the Company evaluates what are the rights of the Company and the lessor under such options. The Company considers whether options included in the lease agreements (1) give an unilateral right for one party (i.e. Company) and (2) creates an obligation to comply for the other party (i.e. lessor). If neither party in the contract has an obligation then Companies assessment is that no options are to be considered in the context of lease term assessment. In such situations the lease term would not exceed the non-cancellable contractual term. In determining the lease term the Company has assessed the penalties under the lease agreements as well as economic incentives to prolong the lease agreements such as the underlying asset being strategic."

3.22. Lease liability incremental borrowing rate determination under IFRS 16 (Company as a lessee)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has used market rates as its incremental borrowing rate. The Company considers market rates used as an appropriate measure for incremental borrowing rates as they correctly reflect the ability to finance a specific asset purchase. It is further considered that the way how local lenders would approach asset financing at each level.

3.23. Subsequent events

Post-period-end events that provide additional information about the Companies' position at the statement of financial position date (adjusting events) are reflected in the financial statement. Post period-end events that are not adjusting events are disclosed in the notes when material.

7. Interest revenue calculated using the effective interest method

	2022 BYN	2021 BYN
Interest income from finance lease receivables	21 364 664	21 142 403
Interest income from loans and advances to customers	734 353	1 167 563
Other interest income	34 975	90 012
TOTAL:	22 133 992	22 399 978

In the current financial year, the Company continued to use financing from P2P platforms, attracted additional financing through bank loans, accordingly managed to increase the turnover on issuing new contracts, Interest income from leasing activities has increased compared to the previous year due to the increased volume of financing and the increase in the volume of new contracts.

8. Interest expense calculated using the effective interest method

	2022 BYN	2021 BYN
Interest expenses on financial liabilities measured at amortized cost:		
Interest expenses for loans from P2P platform investors	1 465 760	2 881 112
Interest expenses for bank liabilities and related parties	3 761 329	3 745 935
Interest expenses for lease liabilities	65 251	54 853
Interest expenses on Tokens	164 910	59 598
TOTAL:	5 457 250	6 741 498

In the current fiscal year, the company continued to use funding from P2P platforms, raised additional funding through bank loans, through tokens, respectively Interest expense increased compared to the previous year.

9. Other operating revenue

	2022 BYN	2021 BYN
Interest expenses on financial liabilities measured at amortized cost:		
Income from financial guarantees*	-	(34 634)
TOTAL:	-	(34 634)

*(see note 26)

10. Fee and commission income/(loss)

	2022 BYN	2021 BYN
Revenue from contracts with customers recognized point in time:		
Income from penalties received	492 161	445 186
Income from commissions	243 923	253 056
TOTAL:	736 084	698 242

	2022 BYN	2021 BYN
Revenue from contracts with customers recognized point in time where the Company acted as an agent:		
Gross income from debt collection activities	513 742	536 378
Gross expenses from debt collection activities	(532 055)	(520 738)
TOTAL:	(18 313)	15 640
Total fees and commissions income:	717 771	713 882

11. Cash

	2022 BYN	2021 BYN
Cash in bank accounts	(886 685)	(715 736)
TOTAL:	(886 685)	(715 736)

This financial asset is not impaired as of December 31, 2022.

The Company does not operate with cash on hand, all transactions are made by bank transfer.

"The Company has not created ECL provisions for cash and cash equivalents on the basis that placement destinations with banks are of a short-term nature and the life of these assets in accordance with IFRS 9 is so short that the low probability of non-payment would result in insignificant amounts of ECL."

12. Impairment expense

	2022 BYN	2021 BYN
Change in impairment	467 966	(579 318)
Written off debts	(22 352)	(5 725)
TOTAL:	**445 614**	**(585 043)**

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

	2022 BYN	2021 BYN
Service fee for using P2P platform	233 163	338 550
TOTAL:	**233 163**	**338 550**

14. Selling expense

	2022 BYN	2021 BYN
Online marketing expenses	77 392	348 323
TV advertising	2 599	-
Radio advertising	-	8 840
Other marketing expenses	189 402	429 375
Total marketing expenses	*269 393*	*786 538*
Other selling expenses	76 634	104 061
TOTAL:	**346 027**	**890 599**

15. Administrative expense

	2022 BYN	2021 BYN
Employees' salaries	3 039 625	2 797 545
Expenses from management fee	2 084 190	2 183 015
Amortization and depreciation	451 429	377 194
Professional services	132 395	187 940
Office and branches' maintenance expenses	265 887	238 818
IT services	170 952	101 231
Credit database expenses	10 772	34 206
Employee recruitment expenses	544	1 666
Communication expenses	95 596	104 475
Real estate tax	28 519	26 314
Car registration expenses	1 375	-
Business trip expenses	25 656	19 560
Bank commissions	374 731	333 335
Low value equipment expenses	20 712	28 954
Other personnel expenses	45 409	2 056
Transportation expenses	23 415	20 705
Insurance expenses	1 270	-
Other administration expenses	338 842	522 668
TOTAL:	**7 111 319**	**6 979 682**

Key management personnel compensation

Members of the Management	2022 BYN	2021 BYN
Remuneration*	288 934	357 359
Social security contribution expenses	34 574	33 545
TOTAL:	**323 507**	**390 904**

16. Other operating income

	2022 BYN	2021 BYN
CDS fee	5 926	660
Other income	53	3 196
TOTAL:	**5 979**	**3 856**

17. Other operating expense

	2022 BYN	2021 BYN
Non-deductible VAT from management services	348 280	401 540
Other operating expenses	33 066	88 845
TOTAL:	**381 346**	**490 385**

18. Net foreign exchange result

	2022 BYN	2021 BYN
Currency exchange loss	(2 967 793)	(3 936 476)
TOTAL:	**(2 967 793)**	**(3 936 476)**

19. Corporate income tax

	2022 BYN	2021 BYN
Current corporate income tax charge for the reporting year	1 699 142	1 880 490
Deferred corporate income tax due to changes in temporary differences	(620 745)	564 122
Corporate income tax charged to the income statement:	**1 078 397**	**2 444 612**

Actual corporate income tax charge for the reporting year, if compared with theoretical calculations:

20. Deferred tax

Deferred corporate income tax:	**Balance sheet** 31.12.2022	31.12.2021.	**Income statement** 2022	2021
Deferred corporate income tax asset				
Tax loss carried forward	-			
Unused vacation accruals	(28 405)	(29 573)	1 168	(9 801)
Impairment	(844 239)	(71 562)	(772 677)	473 268
Cars in stock	(121 314)	(142 775)	21 461	14 884
Other assets (GPS, Low value assets)	(14 894)	(12 909)	(1 985)	(3 449)
Accrued revenue	-	-	-	-
IFRS16 assets	87 716	147 182	(59 466)	85
IFRS16 liability	(92 532)	(156 350)	63 818	19 676
Accured Income Interest	34 162	108 400	(74 238)	28 207
EIR adjustment	21 013	21 413	(400)	7 407
Deferred Commissions	88 664	128 974	(40 310)	61 607
Accruals	(9 844)	(16 238)	6 394	4 316
Intercompany Accruals	-	-	-	-
Deferred commission income	21 519	(213 972)	235 491	(32 077)
Gross deferred tax asset	**(858 155)**	**(237 410)**	**(620 745)**	**564 123**
Net deferred tax liability/ (asset)	**(858 155)**	**(237 410)**	**(620 745)**	**564 123**
Reversal of deferred tax**:				
In the statement of comprehensive income			1 699 142	1 880 489
Net deferred corporate income tax assets	(858 155)	(237 410)	1 699 142	2 444 612
Net deferred corporate income tax expense/ (benefit)			1 078 397	2 444 612

Actual corporate income tax charge for the reporting year, if compared with theoretical calculations:

		2022	2021
Profit/ (loss) before tax		11 850 816	12 233 155
Tax at the applicable tax rate of...	18%	2 133 147	2 201 968
Permanent differences:			
Other		(1 054 750)	242 644
Actual corporate income tax for the reporting year:		**1 078 397**	**2 444 612**

Deferred tax is calculated for all temporary differences by the liability method using an effective tax rate of 18% (2021: 18%).

21. Long term assets

21.1. Intangible assets

	Concessions, patents, licences and similar rights	Other intangible assets*	Advance payments for intangible assets	TOTAL
	BYN	BYN	BYN	BYN
As at 01.01.2021.				
Cost	750	28 110	-	28 860
Accumulated amortization and imp;	(208)	(6 335)	-	(6 544)
Carrying amount	**542**	**21 775**	**-**	**22 317**
2021				
Additions	27 099	30 907	-	58 006
Amortization charge	(250)	(10 540)		(10 790)
As at 31.12.2021.				
Cost	27 849	59 017	-	86 866
Accumulated amortization and imp;	(458)	(16 876)	-	(17 334)
Carrying amount	**27 390**	**42 141**	**-**	**69 532**
As at 01.01.2022.				
Cost	27 849	59 017	-	86 866
Accumulated amortization and imp;	(458)	(16 876)	-	(17 334)
Carrying amount	**27 390**	**42 141**	**-**	**69 532**
2022				
Additions	-	1 273 780	-	1 273 780
Disposals	-	-	(30 785)	(30 785)
Depreciation of disposed assets	-	-	9 749	9 749
Amortization charge	(7 103)	(36 318)		(43 421)
As at 31.12.2022				
Cost	27 849	1 332 798	(30 785)	1 329 861
Accumulated amortization and imp;	(7 561)	(53 194)	9 749	(51 007)
Carrying amount	**20 287**	**1 279 604**	**(21 036)**	**1 278 855**

21. Long term assets (continued)

21.2. Property, plant and equipment

Property, plant and equipment are pledged under Movable property pledge agreement dd 31.10.2019

	Other fixtures and fittings, tools and equipment	Leashold improvements	Advance payments for tangible assets	TOTAL
	BYN	BYN	BYN	BYN
As at 01.01.2021.				
Cost	283 634	613	-	284 247
Accumulated depreciation and impairment	(126 369)	(170)		(126 540)
Carrying amount	**157 265**	**443**	**-**	157 707
2021				
Additions	76 469	-	31 817	108 286
Cost of disposals	(25 470)	-	-	(25 470)
Accumulated depreciation of disposals	6 570			6 570
Depreciation charge	(73 318)	(204)		(73 522)
As at 31.12.2021.				
Cost	334 633	613	31 817	367 063
Accumulated depreciation and impairment	(193 118)	(375)	-	(193 492)
Carrying amount	**141 515**	**238**	**31 817**	173 571
As at 01.01.2022.				
Cost	334 633	613	31 817	367 063
Accumulated depreciation and impairment	(193 118)	(375)	-	(193 492)
Carrying amount	**141 515**	**238**	**31 817**	173 571
2022				
Additions	20 095	-	-	20 095
Cost of disposals	-	-	-	-
Accumulated depreciation of disposals	-	-		-
Depreciation charge	(69 654)	(204)		(69 859)
As at 31.12.2022				
Cost	354 728	613	31 817	387 158
Accumulated depreciation and impairment	(262 772)	(579)	-	(263 351)
Carrying amount	**91 956**	**34**	**31 817**	123 807

Depreciation costs are included in Note - "Administrative expense".

21. Long term assets (continued)

21.3. Right-of-use assets

Initial recognition
At the commencement date of the lease, the Company recognizes right-of-use asset at cost. The cost of a right-of-use asset comprises:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are to produce inventories.

Subsequent measurement
Company measures the right-of-use asset at cost, less any accumulated depreciation and accumulated impairment losses; and adjusted for the remeasurement of the lease liability. Depreciation of the right-of-use asset is recognized on a straight-line basis in profit or loss. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset in accordance with Company`s policy of similar owned assets. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Company involvement with the underlying asset before the commencement date

If the Company incurs costs relating to the construction or design of an underlying asset, the lessee accounts for those costs applying other IFRS, such as IAS 16. Costs relating to the construction or design of an underlying asset do not include payments made by the lessee for the right to use the underlying asset. Company applies IAS 36 to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Initial recognition exemptions applied

As a recognition exemption the Company elects not to apply the recognition requirements of right-of-use asset and lease liability to:
(a) Short term leases – for all classes of underlying assets; and
(b) Leases of low-value assets – on a lease-by-lease basis.

For leases qualifying as short-term leases and/or leases of low-value assets, the Company does not recognize a lease liability or right-of-use asset. The Company recognizes the lease payments associated with those leases as an expense on either a straight-line basis over the lease term.
(a) Short term leases

A short-term lease is a lease that, at the commencement date, has a lease term of 3 months or less. A lease that contains a purchase option is not a short-term lease. This lease exemption is applied for all classes of underlying assets.
(b) Leases of low-value assets

The Company defines a low-value asset as one that:
1) has a value, when new of 5 000 EUR or less. Company assesses the value of an underlying asset based on the value of the asset when it is new, regardless of the age of the asset being leased.
2) the Company can benefit from use of the assets on its own, or together with, other resources that are readily available to the Company; and
3) the underlying asset is not dependent on, or highly interrelated with, other assets.

Right-of-use assets and other liabilities for rights to use assets are shown as follows in the consolidated statement of financial position and statement of profit and loss and other comprehensive income:

ASSETS		31.12.2021. BYN	31.12.2020. BYN
Non-current assets			
Right-of-use assets - premises		(487 310)	(817 679)
Right-of-use assets - motor vehicles		(35 104)	(47 089)
	TOTAL:	**(522 414)**	**(864 768)**
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities for right-of-use assets		178 083	490 648
Current liabilities			
Lease liabilities for right-of-use assets		328 133	399 574
	TOTAL:	**506 216**	**890 222**

21. Long term assets (continued)

21.3. Right-of-use assets (continued)

Leases in the statement of comprehensive income	31.12.2022. **BYN**	31.12.2021. **BYN**
Administrative expense		
Expenses relating to leases of low-value assets and short-term leases	(201 648)	(126 048)
Depreciation of right-of-use assets - premises (Note 21)	(338 149)	(292 881)
		-
Disposal (expenses)/income from dicounts/cancellation of right-of-use assets	29 294	21 522
Net finance costs		
Interest expense for right-of-use premises	(59 273)	(50 403)
Interest expense for right-of-use vehicles	(5 978)	(4 450)
Total cash outflow from leases	**(575 754)**	**(452 260)**

The cost relating to variable lease payments that do not depend on an index or a rate amounted to BYN nil for the year ended December 31, 2022. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

22. Finance Lease Receivables

	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	BYN	BYN	BYN	BYN
Finance lease receivables	31.12.2022	31.12.2022	31.12.2021.	31.12.2021.
Up to one year	35 506 298	20 424 492	41 617 856	21 701 727
Years 2 through 5 combined	41 712 292	25 690 027	60 476 244	35 717 504
More than 5 years	792 180	614 221	1 368 761	1 025 315
TOTAL, GROSS:	**78 010 770**	**46 728 740**	**103 462 861**	**58 444 546**

Unearned finance income		31.12.2022 BYN	31.12.2021. BYN
Up to one year		15 081 806	19 916 129
Years 2 through 5 combined		16 022 265	24 758 740
More than 5 years		177 959	343 446
	TOTAL, GROSS:	**31 282 030**	**45 018 315**

Finance lease receivables		31.12.2022 BYN	31.12.2021. BYN
Non-current finance lease receivables		26 304 248	36 742 818
Current finance lease receivables		18 946 886	20 027 105
Accrued interest and handling fee		1 477 606	1 674 623
	TOTAL, GROSS:	**46 728 740**	**58 444 546**

Finance lease receivables, net	**Non-Current** 31.12.2022 BYN	**Current** 31.12.2022 BYN	**Non-Current** 31.12.2021. BYN	**Current** 31.12.2021. BYN
Finance lease receivables	26 304 248	18 946 886	36 742 818	20 027 105
Accrued interest and handling fee	-	1 477 606	-	1 674 623
disbursement	(27 609)	(19 887)	(57 762)	(31 484)
Impairment allowance	(244 733)	(4 702 270)	(329 178)	(4 154 443)
	26 031 906	**15 702 335**	**36 355 878**	**17 515 801**

receivables	31.12.2021. Stage 1	Stage 2	Stage 3	TOTAL
Not past due	48 203 654	271 210	465	48 475 329
Days past due up to 35 days	3 757 176	776 709	-	4 533 885
Days past due up to 60 days	-	-	175 515	175 515
Days past due over 60 days	-	-	5 259 817	5 259 817
TOTAL, GROSS:	51 960 830	1 047 919	5 435 797	58 444 546

22. Finance Lease Receivables (continued)

	31.12.2022			
Finance lease receivables	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	36 662 001	145 892	1 370	36 809 262
Days past due up to 35 days	3 818 690	268 405	22 645	4 109 740
Days past due up to 60 days	-	189 507	12 267	201 774
Days past due over 60 days	-	-	5 607 963	5 607 963
TOTAL, GROSS:	40 480 691	603 803	5 644 245	46 728 740
	(0)	-	(0)	

Finance lease receivables	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	51 960 830	1 047 919	5 435 797	58 444 546
Transfer to Stage 1	519 105	(446 973)	(72 132)	-
Transfer to Stage 2	(469 325)	476 423	(7 098)	(0)
Transfer to Stage 3	(2 242 650)	(236 591)	2 479 241	0
New financial assets acquired	9 910 242	133 471	190 052	10 233 764
Receivables settled	(12 367 166)	(302 471)	(398 681)	(13 068 317)
Receivables written off	-	-	-	-
Receivables partially settled	(9 993 874)	(122 907)	(2 338 690)	(12 455 471)
Foreign exchange movements	3 163 530	54 933	355 755	3 574 218
Balance at 31 December 2022	**40 480 691**	**603 803**	**5 644 245**	**46 728 740**
	0,00	-	0,00	

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	374 359	67 560	4 041 702	4 483 621
Transfer to Stage 1	37 628	(27 587)	(10 041)	-
Transfer to Stage 2	(6 737)	7 725	(988)	(0)
Transfer to Stage 3	(30 618)	(15 265)	45 883	-
Impairment for new financial assets acquired	67 516	13 747	56 968	138 232
Reversed impairment for settled receivables	(88 793)	(20 403)	(209 251)	(318 447)
Reversed impairment for written off receivables	-	-	-	-
Net remeasurement of loss allowance	(79 717)	30 098	391 052	341 433
Foreign exchange movements	22 938	4 361	274 866	302 165
Balance at 31 December 2022	**296 575**	**60 237**	**4 590 191**	**4 947 003**

23. Loans and advances to customers

	Minimum loan payments	Present value of minimum loan payments	Minimum loan payments	Present value of minimum loan payments
	BYN	BYN	BYN	BYN
customers	31.12.2022	31.12.2022	31.12.2021.	31.12.2021.
Up to one year	1 462 150	1 063 268	2 232 429	1 461 946
Years 2 through 5 combined	868 964	575 765	1 895 939	1 154 827
More than 5 years	863	-	9 272	7 508
TOTAL, GROSS:	**2 331 977**	**1 639 033**	**4 137 640**	**2 624 281**

	31.12.2022	31.12.2021.
Unearned finance income	BYN	BYN
Up to one year	398 882	770 483
Years 2 through 5 combined	293 199	741 112
More than 5 years	863	1 764
TOTAL, GROSS:	**692 944**	**1 513 359**

	31.12.2022	31.12.2021.
Loans and advances to customers	BYN	BYN
Non-current loans and advances to customers	575 765	1 162 335
Current loans and advances to customers	919 215	1 296 494
Accrued interest (current)	144 053	165 452
TOTAL, GROSS:	**1 639 033**	**2 624 281**

23. Loans and advances to customers (continued)

Loans and advances to custome	Non-Current 31.12.2022 BYN	Current 31.12.2022 BYN	Non-Current 31.12.2021. BYN	Current 31.12.2021. BYN
Loans and advances to customers	575 765	919 215	1 162 335	1 296 494
Accrued interest	-	144 053	-	165 452
disbursment	(4 644)	(7 415)	(11 608)	(12 949)
Impairment allowance	(7 513)	(504 728)	(22 946)	(484 709)
	563 608	**551 125**	**1 127 781**	**964 288**

	31.12.2021.			
Loans and advances to customers	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	1 511 539	30 906	1	1 542 446
Days past due up to 35 days	313 946	159 901	-	473 847
Days past due up to 60 days	-	-	-	-
Days past due over 60 days	-	-	607 988	607 988
TOTAL, GROSS:	**1 825 485**	**190 807**	**607 989**	**2 624 281**
	0	(0)	0	

	31.12.2022			
Loans and advances to customers	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	773 580	-	19	773 599
Days past due up to 30 days	283 011	5 084	-	288 095
Days past due up to 60 days	-	15 331	-	15 331
Days past due over 60 days	-	-	562 007	562 007
TOTAL, GROSS:	**1 056 591**	**20 416**	**562 026**	**1 639 033**
	0	-	0	

Loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	1 825 485	190 807	607 989	2 624 281
Transfer to Stage 1	78 771	(78 771)	-	-
Transfer to Stage 2	(8 441)	8 441	-	-
Transfer to Stage 3	(71 069)	(40 218)	111 287	-
New financial assets acquired	109 885	-	3 999	113 884
Receivables settled	(545 323)	(58 076)	(39 006)	(642 406)
Receivables partially settled	(420 587)	(7 624)	(151 137)	(579 348)
Foreign exchange movements	87 869	5 857	28 894	122 620
Balance at 31 December 2022	**1 056 591**	**20 416**	**562 026**	**1 639 032**
	(0,20)	-	(0,30)	

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	18 068	12 701	476 886	507 655
Transfer to Stage 1	5 314	(5 314)	-	-
Transfer to Stage 2	(44)	44	-	-
Transfer to Stage 3	(1 728)	(2 582)	4 310	-
Impairment for new financial assets acquired	1 373	-	1 211	2 584
Reversed impairment for settled receivables	(6 205)	(3 829)	(33 494)	(43 527)
Net remeasurement of loss allowance	(5 639)	1 036	26 045	21 441
Foreign exchange movements	918	438	22 731	24 087
Balance at 31 December 2022	**12 057**	**2 494**	**497 690**	**512 241**

Total gross portfolio derecognised from Company financial assets were:	31.12.2022 BYN	31.12.2021. BYN
Loan receivable	1 377 558	201 014
TOTAL:	**1 377 558**	**201 014**

24. Other loans and receivables

	Interest rate per annum (%) 31.12.2022	Interest rate per annum (%) 31.12.2021	Maturity	31.12.2022 BYN	31.12.2021. BYN
Deposit in bank Reshenie		7,50%	"on demand"		500 000
Deposit in bank BSB Bank	0,3%	6,250%	"on demand"	500 000	300 000
Guarantee deposit in bank Reshenie		0,00001%	20.09.2022	-	3 230 991
			TOTAL:	**500 000**	**4 030 991**

25. Non-current assets held for sale

	31.12.2022 BYN	31.12.2021. BYN
Other non-current assets held for sale, net		
Repossessed collateral	-	-
Impairment allowance	-	-
	-	-

26. Provisions for financial guarantees

Changes in other reserves	31.12.2022 BYN	31.12.2021. BYN
Residue at the beginning of the year	(822 538)	(1 784 563)
Fair value of new guarantees issued (1)	-	(1 017 591)
Derecognition of warranties (2)	841 007	1 737 246
Decrease in fair value of guarantees due to revaluation	-	242 370
Residue at the end of the year	**18 469**	**(822 538)**

Changes in provisions

	31.12.2022 BYN	BYN	31.12.2021. BYN
Provisions at the beginning of the year	787 906		825 804
Fair value of new guarantees issued (1)	-		1 017 591
Decrease in fair value of guarantees due to revaluation	-		(255 313)
Amortised to income before derecognition	(75 298)		(426 195)
Derecognition of warranties (2)	(571 453)		(373 981)
Increase	-		-
Provisions at the end of the year	**141 154**		**787 906**
	-		
Financial guarantee in favour of the bondholders of Eleving Group SA.	-		787 906
Total recognised in other operating income (Note 9)	-		(34 634)

On 14 October 2021 the Company entered a financial guarantee agreement issued in favor of bondholders of Eleving Group S.A The guarantee was issued to secure Eleving Group S.A exposure after issuing corporate bonds, ISIN XS2393240887 (as of 31 December 2021 the total nominal value of bonds is EUR 150 million), which are listed on the Open Market of the Frankfurt Stock Exchange.The bonds additionally are secured by multiple share, asset and bank account pledges granted by several other material Company entities. The Company did not receive compensation for the guarantee provided. Fair value of financial guarantee is recognized as liability and as a distribution of equity under "Other reserves". Liabilities under the financial guarantee agreement are recognized in income (Note9) on straight line basis. Under the guarantee agreement the Company amongst other material Company entities, irrevocably guarantees the payment of Eleving Group S.A liabilities towards its bondholders in case of default of TMF Trustee Services under the provisions of bond prospectus. In order to secure prompt and due performance of the Secured Obligations Eleving Group S.A creates in favour of the TMF Trustee Services (security agent) the pledge over the share (participation interest) in the share capital of Company in the amount of 100% of the share (participatory interest) owned by Eleving Group S.A. However considering that the bonds are primarily secured by multiple share, asset and bank account pledges granted by several other material Company entities, the Company has reevaluated the fair value of this guarantee by assessing the value of all unencumbered assets of each material Company entity guaranteeing the payment of Eleving Group S.A liabilities towards its bondholders, as well as the potential liability exposure of each guarantor under the bonds, and considers that the fair value of this financial guarantee is insignificant."

26. Provisions for financial guarantees (continued)

Where a contract meets the definition of a financial guarantee contract the Company, as an issuer, applies specific accounting and measurement requirements IFRS 9. These IFRS 9 measurement requirements are applied for all guarantee contracts, including guarantees issued between entities under common control, as well as guarantees issued by a subsidiary on behalf of a parent. If a Company gives a guarantee on behalf of an entity under common control, the respective provision is recognized in the separate financial statements. Where transaction is driven by the Company's shareholders in their capacity as owners, Company treats such transactions as an increase in Provisions for financial guarantees and an equal and opposite decrease in equity (as a distribution of equity). Distributions of equity under financial guarantees are recognized in Other reserves.
Financial guarantees are initially recognized at fair value. Subsequently, unless the financial guarantee contract is designated at inception as at fair value through comprehensive income, Company's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of comprehensive income, and ECL provision determined in accordance with IFRS 9. Amortization is recognized in the statement of comprehensive income under Other operating income on a straight-line basis over the term of the guarantee. Financial guarantees are derecognized if the terms of the guarantee are substantially changed. Changes in guarantee limit are treated as a derecognition. In such cases the original guarantee is derecognized, and a new guarantee is recognized at fair value. Change in the fair value is recognized as a decrease or increase in Provisions for financial guarantees and an equal and opposite decrease r increase to Other reserves. Other reserves are transferred to retained earnings upon extinguishment of liabilities under the financial guarantee.

27. Trade receivables

	31.12.2022 BYN	31.12.2021. BYN
Receivables from Rokit lizing BY IC	264	616
Receivables from Avtotrade BY IC	2 352	176
	2 616	**792**

28. Prepaid expense

	31.12.2022 BYN	31.12.2021. BYN
Other non-current assets held for sale, net		
Other prepaid expenses	78 066	100 592
	78 066	**100 592**

29. Share capital

The share capital of the Company on December 31, 2022 is BYN 125000

	31.12.2022		31.12.2021.	
	Share in capital %	BYN	Share in capital %	BYN
Eleving Stella AS	95,6%	119 500	100,0%	125 000
Others minority shareholders	4,4%	5 500		
TOTAL:	100%	125 000	100%	125 000,00

Distribuire dividende

Dividends have been distributed for the period 2021 to 2022 up to the date of issue of these Financial statements, disclosed in the table below:

Date of dividend distribution decision	Distributed profit for the period	Amount, BYN
Dividend distribution decision №12 dd 06.09.2021	for 2019-2020	416630
	for Q1-Q2 2021	463370
Total		**880 000**
Dividend distribution decision №20 dd 22.12.2021	for Q1-Q2 2021	3631630
	for Q3 2021	643820
Total		**4 275 450**
Dividend distribution decision №3 dd 28.02.2022	for Q3 2021	875626
Total		**875 626**
Dividend distribution decision №5 dd 30.05.2022	for Q4 2021	2770000
Total		**2 770 000**
Dividend distribution decision №7/2022 dd 31.10.2022	for Q4 2021	590291
	for Q1-Q2 2022	6589709
Total		**7 180 000**

30. Other receivables

	31.12.2022 BYN	31.12.2021. BYN
Receivable for attracted funding through P2P platform	-	-
Receivable for attracted funding through tokens	-	126
Overpaid VAT	164 103	123 117
Net overpaid VAT	164 103	123 243
Real estate tax paid in advance	1 358	1 488
Advances paid for services	-	-
Receivables for payments received from customers through online payment systems	198 671	106 833
Advances to employees	-	9
Receivables for commissions	-	-
Other debtors	83 241	69 907
CIT paid in advance	1 060 166	-
TOTAL:	1 507 539	301 480

31. Borrowings

For the year 2022, financing has been raised to develop leasing activities:

- Bank Reshenie CJSC- in current activities for the purchase of leased items for their further transfer to leasing;
- MINTOS FINANCE ESTONIA OU - financing of leasing agreements;
- Joint-Stock Company "Eleving Group" - development of the company's leasing activity;
- DFS LLC - financing of current, financial and investment activities of the company.

According to the loan agreements concluded with Decision Bank CJSC, the following items are pledged as collateral

- Under the credit agreements #101-2/21 dated 21.09.21 and #100-2/21 dated 21.09.21 the property rights to the leasing payments at the amount of 2,424,403.09 USD, belonging to MOGO Credit LLC on the property right;
- On the credit agreement № 68-1/22 dated 15.07.22 the property rights to the leasing payments in the amount of 5 217 083,87 BYR owned by LLC MOGO Credit.

In 2022 there were 2 issues of tokens, which are non-listed:

- issue (MOGO USD_219) - 1,486 tokens at USD 50 per 1 pc;
- issue (MOGO USD_291) - 296 tokens at $50 per piece.

The purpose of issuing tokens is to finance the company's current, financial and investment activities.

There were no delays in the repayment of loans, credits and accrued interest on them. During 2022, the company complied with the covenants stipulated by the terms of loan agreements.

Income tax was withheld in full from the income of foreign legal entities at the rate of 10%.

Non-current

Loans from related parties		*Interest rate per annum (%)*	*Maturity*	31.12.2022 BYN	31.12.2021. BYN
Loan from related parties	Rockit Leasing LLC	3,00%	21.06.2026	121 000	123 000
Loan from related parties	Eleving Stella AS	1,00%	31.08.2026	7 333 722	-
Loan from related parties	Eleving Group S.A.	14,50%	31.08.2026	20 173 036	16 860 327
			TOTAL:	**27 627 758**	**16 983 327**
Other borrowings					
Financing received from P2P investors	Mintos Estonia			1 836 151	20 583 920
Loans from Banks	Bank Reshenie	25%	14.07.2024	700 000	2 548 100
Liabilities for rights-of-use assets	IFRS16			178 083	490 649
Financing acquisition costs				-	-
			TOTAL:	**2 714 234**	**23 622 669**
			TOTAL NON CURRENT BORROWINGS:	**30 341 992**	**40 605 996**

Current

Other borrowings		*Interest rate per annum (%)*	*Maturity*	31.12.2022 BYN	31.12.2021. BYN
Financing received from P2P inves	Mintos Estonia		06.09.2024	2 382 592	8 249 192
Loans from Banks	Bank Reshenie	11%	20.09.2023	2 736 401	3 034 620
Loans from Banks	Bank Reshenie	25%	31.12.2023	1 200 000	-
Liabilities for rights-of-use assets	IFRS16	19%	17.01.2023	328 133	399 574
Short term tokens BY			09.05.2025	577 829	2 402 603
Accrued interest for loans from Tokens				(21 174)	20 179
Accrued interest for bonds				-	-
Accrued interest for loans from rela	Eleving Group S.A.	14,50%		2 863 571	184 766
Accrual for % on Borrowings from F	Eleving Stella UAB	14,50%		294	
Accrued interest for borrowings fror	AS Eleving Stella	14,5% (1%)		127 775	
Accrued interest for financing recei	Mintos Estonia			8 209	87 036
Accrued interest for loan form bank	Bank Reshenie			73 480	59 930
			TOTAL:	**10 277 110**	**14 437 900**

32. Payables to related parties

	31.12.2022 BYN	31.12.2021. BYN
Eleving Stella	863 476	-
	863 476	**-**

33. Taxes payable

	31.12.2022 BYN	31.12.2021. BYN
Personal income tax liabilities	67 881	21 075
Social tax liabilities	37 364	76 046
VAT	167 624	244 378
Other taxes and duties	903 752	782 608
	1 176 621	**1 124 107**

34. Other liabilities

	31.12.2022 BYN	31.12.2021. BYN
Liabilities against employees	139 304	145 268
Receivable for attracted funding through P2P platform	1 613 790	314 467
Distributed, not paid dividends	2 649 930	3 847 906
Tokens	86	-
	4 403 110	**4 307 641**

35. Accrued liabilities

	31.12.2022 BYN	31.12.2021. BYN
Accruals for vacation reserves	157 809	164 298
Accrued liabilities against employees	-	40 056
Other accrued liabilities for received services	195 953	257 837
	353 762	**462 191**

36. Related parties disclosures

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions. Related parties of the Company are shareholders who could control or who have significant influence over the Company in accepting operating business decisions, key management personnel of the Company including members of Supervisory body – Audit committee and close family members of any above-mentioned persons, as well as entities over which those persons have a control or significant influence.

The Company has defined that a person or a close member of that person's family is related to a reporting entity if that person:
- has control or joint control of the reporting entity;
- has significant influence over the reporting entity; cr
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the followingconditions applies:
- The entity and the reporting entity are members of the same Company (which means that each parent, and fellow is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- The entity is controlled or jointly controlled by a person identified in (a);
- A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- The entity, or any member of a Company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

36. Related parties disclosures (continued)

Receivables and payables incurred are not secured with any kind of pledge.

Transactions with related parties for years 2022 and 2021 were as follows:	*31.12.2022.* BYN	*31.12.2021.* BYN
Services received	**3 259 055**	**2 273 018**
- Eleving Stella, AS	2 084 190	2 183 015
- Other related	-	-
Assets & Licenses	**1 174 865**	**90 003**
- Purchase of hardware and Licenses ELEVING VEHICLE FINANCE, AS		59 012
Licenses agreement №4-01/11/2021 от 24.11.2021		27 198
hardware agreement №3-01/11/2021 dd 24.11.2021		31 814
- Licenses agreement Eleving Stella AS dd 01.04.2021		30 991
-Software purchase agreement Eleving Stella AS dd 31.10.2022	1 174 865	

Payables to related parties

	BYN	BYN
Eleving Stella, AS	863 476	-
	863 476	-

Borrowings

1) On19.03.2018 the Company has signed the loan agreement with its ultimate Parent Company Eleving Group S.A. Loan agreement allows both parties to agree on flexible loan pay-out and loan repayment arrangement with maximum loan amount of 15 million EUR with maturity date 19.03.2023 and fixed interest rate 14.5%.

2)On 22.03.2022 the Company has signed the novation agreement with its ultimate Parent Company Eleving Group S.A. and Eleving Stella Loan agreement allows both parties to agree on flexible loan pay-out and loan repayment arrangement with maximum loan amount of 1 million EUR with maturity date 19.03.2023 and fixed interest rate 14.5%.

3) On 07.09.2022, the company signed the novation agreement with the parent company Eleving Stella Credit and MOGO UCO LLC. The agreement allows all parties to agree on a flexible repayment and payment schedule with a maximum loan amount of EUR 20,000 with a maturity of 30.03.2027 and a fixed interest rate of 14.5%.

4) Company signed the novation agreements with the parent company Eleving Stella Credit and UAB Eleving Stella. The agreement allows all parties to agree on a flexible repayment and payment schedule and a fixed interest rate of 14.5%.-On 22.07.2022- loan amount of EUR 200,000; On 24.08.2022- loan amount of EUR 250,000; On 09.08.2022- loan amount of EUR 300,000

Interest expenses (Note 8)

		TOTAL:	**2 946 114**	**3 053 234**
1) - Eleving Group S.A			2 796 545	3 053 234
2) - Eleving Stella AS			140 499	-
3) -MOGO UCO LLC			41	-
4) -UAB Eleving Stella			6 910	
5) -Rokit lizing BY			2 118	
	Interest rate per		BYN	BYN
Non-current	annum (%)	Maturity	**BYN**	**BYN**
Loan from Eleving Group S.A	14,5%	19.08.2026	20 173 036	16 860 327
Loan from Eleving Stella AS	1%	31.08.2026	7 333 722	
Loan from Rokit lizing BY	3%	21.06.2026	121 000	123 000
Current				
Accrued interest Eleving Group S.A			2 863 572	184 766
Accrued interest Eleving Stella AS			127 775	-
		TOTAL:	**30 619 105**	**17 168 093**

36. Related parties disclosures (continued)

Trade receivables from related parties

Current	31.12.2022. **BYN**	31.12.2021. **BYN**
Receivables from Rokit lizing BY IC	264	616
Receivables from Avtotrade BY IC	2 352	176
	2 616	792

Key management personnel compensation is disclosed in Note 15 "Administrative expenses".

Provisions for financial guarantees with related parties is disclosed in Note 26 "Provisions for financial guarantees ".

37. Investments in subsidiary

MOGO Credit (the 'Company'), in accordance with paragraph 4(a) of IFRS 10, has elected not to present consolidated financial statements, and has prepared these separate financial statements for the year ended 31 December 2021.
Company registered office and permanent address is 24, Piotr Mstislavets St., office 172, Minsk, 220076, Republic of Belarus.
The consolidated financial statements, which are available for public use, have been prepared in accordance with International Financial Reporting Standards.The ultimate parent company of MOGO Credit LLC is Eleving Group S.A. (Eleving Group S.A., Reg.Nr. B 174.457, Reg.office - 8-10, Avenue de la Gare, L-1610 Luxembourg). These are the Company's separate financial statements. Eleving Group S.A. Consolidated financial statement report is published - https://eleving.com/investors

These are the Company's separate financial statements. The ultimate parent company of MOGO Credit LLC is Eleving Group S.A. is preparing consolidated financial statements. Investments in Subsidiary (i.e. where the Company holds more than 50% interest of the share capital or otherwise controls the company) and associates (i.e. an entity over which the Company has significant influence without control over the financial and operating policy decisions of the investee) are recognised at cost in the separate financial statements according to IAS 27. Following initial recognition, investments in Subsidiary and associates are carried at cost less any accumulated impairment losses. The carrying values of investments are reviewed for impairment at each statement of financial position date. The Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary or associate and its carrying value, then, recognises the loss in the statement of comprehensive income."
On 01.10.2021 the Company made an investment in its subsidiary: Limited Liability Company MOGO Autotrade, registration number 192846476, address 220076,

Minsk, 24, Petra Mstislavets street, office 173-2.

The following table provides the disclosure of investments at cost:
Other investments:

	Shareholding	31.12.2022 BYN	31.12.2021 BYN
Investments in MOGO Autotrade LLC	100,00%	5 000	5 000
	TOTAL:	**5 000**	**5 000**

38. Financial risk management

The risk management function within the Company relates to financial risks, operational risks and legal risks. Financial risk comprises market risk including currency risk, interest rate risk, credit risk and liquidity risk. The main objectives of the financial risk management function are to establish risk limits and then to ensure that risk exposure is maintained within these limits. The operational and legal risk management functions (compliance, regulatory) are designed to ensure the proper functioning of internal policies and procedures to minimise operational and legal risks.

Operational risks

The Company's operational risks are managed through successful risk underwriting procedures in the lending process, as well as effective debt collection procedures

38. Financial risk management (continued)

Legal risks

Legal risks arise mainly from changes in legislation, which the Company successfully manages with the help of its internal legal department and external legal advisors, who help address any current or future changes in legislation that may impact the Company's business activities.

Compliance risk

Compliance risk refers to the risk of loss or business process disruption resulting from inadequate or failed internal processing systems that have resulted in a violation of applicable law or other regulations currently in force.

Regulatory risks

The Company's operations are subject to regulation by various authorities, such as: consumer protection, financial services and other governmental authorities, including, but not limited to, laws and regulations relating to consumer lending and protection of consumer rights, debt collection and processing of personal data.

Confidentiality, personal data protection risk

The Company's business is subject to a variety of national laws and regulations involving user privacy, personal data protection, advertising, marketing, disclosures, distributions, electronic contracts and other communications, consumer protection and online payment services. The company has implemented an internal control framework consisting of a combination of IT-based solutions and business procedures that are designed to catch any potential non-compliance issues before they arise and to ensure compliance with these requirements.

The significant risks monitored within the Company are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk and interest rate risk.

38.1. Individual risk management

The company places a strong emphasis on understanding risk factors and on continuous analysis and discussion at the institutional level of possible developments/scenarios and their potential negative impact. The main objectives of risk management include ensuring that all significant risks are recognised in a timely manner, are fully understood and are adequately described.

38.2. Credit Risk

Credit risk is the risk that the Company will incur a financial loss if a customer or partner in a financial instrument transaction fails to meet its contractual obligations.

The Company is exposed to credit risk through its finance lease receivables, loans and advances to customers and other receivables, and cash and cash equivalents. The maximum exposure to credit risk is represented by the gross carrying amount of the respective financial assets.

Maximum exposure to credit risk

The table below shows the Company's maximum credit risk exposure as of December 31, 2021 and December 31, 2020, excluding collateral held. For balance sheet assets, exposures are shown at net book value

	31.01.2022 BYN	31.01.2021 BYN
Cash	886 685	715 736
Loans and advances to customers	16 253 460	18 480 087
Finance lease receivables	26 595 514	37 483 661
Other financial assets	1 507 539	301 480
Total	**45 243 198**	**56 980 964**

The key areas of credit risk policy cover the leasing process (including checking the creditworthiness of the lease), monitoring methods and decision-making principles. The company uses financed vehicles as collateral to significantly reduce credit risks and offers loans up to 60% of the market value of the collateral.

The company operates by applying a clear set of criteria for the granting of finance leases/loans. This criteria includes the assessment of the customer's credit history, the means of repayment of the lease/credit and an understanding of the purpose of the lease/credit. The company considers both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Company sets the credit limit for each client.

38.2. Credit Risk (continued)

After signing the lease/loan contract, the Company monitors the subject of the lease/loan and the creditworthiness of the client. The Company has developed a contract monitoring process to help quickly identify any non-compliance with the provisions of the agreement. Debt balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimised and, where appropriate, sufficient provision is made.

The Company does not have a significant credit risk exposure to a single counterparty, but does have an exposure to a Company of counterparties with similar characteristics.

An analysis of the changes in the gross carrying amount and corresponding ECL allocations related to finance lease receivables are as follows:

Loans and advances to customers 2021	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	2 812 188	403 524	625 082	3 840 794
Transfer to Stage 1	161 059	(109 723)	(51 337)	-
Transfer to Stage 2	(162 297)	174 124	(11 826)	-
Transfer to Stage 3	(99 102)	(33 870)	132 972	-
New financial assets acquired	605 768	26 158	-	631 926
Receivables settled	(945 136)	(201 666)	(80 128)	(1 226 930)
Receivables written off	-	-	-	-
Receivables partially settled	(517 050)	(63 157)	(135 609)	(715 816)
Foreign exchange movements	(29 944)	(4 584)	(5 236)	(39 764)
Balance at 31 December 2021	**1 825 486**	**190 807**	**473 918**	**2 490 210**

Loans and advances to customers 2022	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	1 825 485	190 807	607 989	2 624 281
Transfer to Stage 1	78 771	(78 771)	-	-
Transfer to Stage 2	(8 441)	8 441	-	-
Transfer to Stage 3	(71 069)	(40 218)	111 287	-
New financial assets acquired	109 885	-	3 999	113 884
Receivables settled	(545 323)	(58 076)	(39 006)	(642 406)
Receivables written off	-	-	-	-
Receivables partially settled	(420 587)	(7 624)	(151 137)	(579 348)
Foreign exchange movements	87 869	5 857	28 894	122 620
Balance at 31 December 2022	**1 056 591**	**20 416**	**562 026**	**1 639 032**

Finance lease receivables 2021	Stage 1	Stage 2	Stage 3	**Total**
Balance at 1 January 2021	42 608 322	2 138 826	4 507 626	**49 254 774**
Transfer to Stage 1	984 292	(842 821)	(141 470)	**-**
Transfer to Stage 2	(819 888)	893 621	(73 733)	**-**
Transfer to Stage 3	(1 525 502)	(593 743)	2 119 245	**-**
New financial assets acquired	27 897 917	187 252	118 915	**28 204 084**
Receivables settled	(9 222 553)	(499 211)	(468 757)	**(10 190 520)**
Receivables written off	-	-	-	-
Receivables partially settled	(7 533 598)	(210 259)	(1 312 304)	**(9 056 161)**
Foreign exchange movements	**(428 159)**	**(25 746)**	**(45 590)**	**(499 495)**
Balance at 31 December 2021	**51 960 830**	**1 047 919**	**4 703 932**	**57 712 681**

38.2. Credit Risk (continued)

Finance lease receivables	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	51 960 830	1 047 919	5 435 797	58 444 546
Transfer to Stage 1	519 105	(446 973)	(72 132)	-
Transfer to Stage 2	(469 325)	476 423	(7 098)	(0)
Transfer to Stage 3	(2 242 650)	(236 591)	2 479 241	0
New financial assets acquired	9 910 242	133 471	190 052	10 233 764
Receivables settled	(12 367 166)	(302 471)	(398 681)	(13 068 317)
Receivables written off	-	-	-	-
Receivables partially settled	(9 993 874)	(122 907)	(2 338 690)	(12 455 471)
Foreign exchange movements	3 163 530	54 933	355 755	3 574 218
Balance at 31 December	**40 480 691**	**603 803**	**5 644 245**	**46 728 740**

Transfers between Stages capture the annual movement of financial assets that are in a different Stage on the closing balance sheet than on the opening balance sheet. Transfers between each Stage are based on opening balances.

Claims partially derecognised on transfer between Stages are reported in the Stage in which the assets are transferred. This is the period up to the date when the change in finance lease receivables is transferred to a particular Stage.

38.3. Market risk

The Company assumes exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks affect interest rate products and foreign exchange products. All of these are exposed to market developments and changes in the level of market rates or prices, such as interest rates.

38.4. Interest rate risk

The Company is not exposed to interest rate risk as all interest-bearing assets and liabilities are at a fixed interest rate.

38.5. Foreign currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the effects of fluctuations in foreign exchange rates on the part of the financing sources it receives from Non-Residents and on the part of Financial Assets - Loans granted to customers in Foreign Currency at the exchange rate of the National Bank of Belarus.

Foreign currency risk

Assets and liabilities exposed to foreign currencies fluctuation risk as at: 31 December 2022:

	Assets	Equity and liabilities	Net assets exposed to currency risk
Currency	in BYN	in BYN	in BYN
BYN	48 585 487	- 55 631 311	- 7 045 824

Assets and liabilities exposed to foreign currencies fluctuation risk as at: 31 December 2021:

	Assets	Equity and liabilities	Net assets exposed to currency risk
Currency	in BYN	in BYN	in BYN
BYN	62 490 484	- 65 264 478	- 2 773 994

38.6. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with its financial liabilities that are extinguished by the payment of cash or the disposal of another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, both under normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The company controls its liquidity risk by managing the amount of funding it attracts through Peer to Peer platforms, which give management greater flexibility to manage loan sizes and cash levels.

The table below shows the cash flows payable by the Company in the form of non-derivative financial liabilities and assets held for liquidity risk management, remaining at contractual maturity at the statement of financial position date. The amounts shown in the table represent the contractual unsettled cash flow. Payable cash flow for loans includes estimated interest payments assuming that the principal is paid in full at maturity.

Liquidity risk

		Contractual cash flows				
	Carrying value	**On demand**	**Up to 1 year**	**1-5 years**	**More than 5 years**	**Total**
As at 31.12.2022	**BYN**	**BYN**	**BYN**	**BYN**	**BYN**	**BYN**
Assets						
Cash in bank	886 685	886 685				**886 685**
Loans and advances to customers	1 114 733		1 462 150	868 964	863	**2 331 977**
Loans to related parties (do not include loans to mogo	-					-
Loans to related parties (loans to mogo Company	-					
Loans to non-related parties	-					-
Trade receivables	2 616					-
Other non-current financial assets	-					-
Other loans and receivables	500 000	500 000				**500 000**
Other short term receivables from related parties (do not	-					-
Other short term receivables from related parties (only I/C						
Finance lease receivables	41 734 241		35 506 298	41 712 292	792 180	**78 010 770**
Total undiscounted financial	44 238 275	1 386 685	36 968 448	42 581 256	793 043	**81 729 432**
Liabilities						
Borrowings (do not include I/C borrowings)	40 619 102		(7 685 135)	(4 630 274)	-	**(12 315 409)**
Borrowings (only I/C borrowings)						
Other liabilities (do not include I/C liabilities)	5 686 238		(2 787 173)	-		**(2 787 173)**
Other liabilities (only I/C liabilities)						
Total undiscounted financial	46 305 340	-	(10 472 308)	(4 630 274)	-	**(15 102 582)**
Net undiscounted financial assets / (liabilities)	90 543 615	1 386 685	26 496 140	37 950 982	793 043	**66 626 850**

38. Financial risk management 38.6. Liquidity risk(continued)

		Contractual cash flows				
As at 31.12.2021.	Carrying value BYN	On demand BYN	Up to 1 year BYN	1-5 years BYN	More than 5 years BYN	Total BYN
Assets						
Cash in bank	715 736	715 736				715 736
Loans and advances to customers	2 092 069		2 232 429	1 895 939	9 272	4 137 640
Loans to related parties (do not include loans to mogo	-					-
Loans to related parties (loans to mogo Company	-					
Other non-current financial assets	-					-
Loans to non-related parties	-					-
Trade receivables	792					-
Other loans and receivables	4 030 991	800 000	3 230 991			4 030 991
Other short term receivables from related parties (do not	-					-
Other short term receivables from related parties (only I/C						
Finance lease receivables	53 871 679		41 617 856	60 476 244	1 368 761	103 462 861
Total undiscounted financial	60 711 267	1 515 736	47 081 276	62 372 183	1 378 033	112 347 228
Liabilities						
Borrowings (do not include I/C borrowings)	13 371 039		(16 735 151)	(26 229 189)	(19 261)	(42 983 601)
Other liabilities (do not include I/C liabilities)	4 870 864		(4 426 525)	(23 220)		(4 449 745)
Total undiscounted financial	59 914 760	-	(21 161 676)	(26 252 409)	(19 261)	(47 433 346)
Net undiscounted financial assets / (liabilities)	120 626 027	1 515 736	25 919 600	36 119 774	1 358 772	64 913 882

39. 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 participants at the valuation date. The determination of fair value is based on the presumption that the transaction to sell the asset or transfer the liability occurs 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 most advantageous market must be accessible by the Company.

The fair value of an asset or liability is valued based on assumptions that market participants would use in pricing the asset or liability, assuming that market participants are acting in their economic interest. A determination of the fair value of a non-financial asset considers the ability of a market participant to generate economic benefits by using the asset to the best and most efficient extent or by selling it to another market participant that would use the asset to the best and most efficient extent. The company uses appropriate valuation techniques for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value hierarchy:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

• Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

• Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

• Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data

Level 1 include highly liquid assets such as Cash or cash items. Management recognizes that the fair value of cash and cash equivalents is the same as their carrying amount and therefore the risk of changes in fair value is immaterial.

Level 2 instruments include assets for which there is no active market, such as financial instruments that are traded over-the-counter, bonds. The company has no assets or liabilities classified in Level 2.

Level 3 instruments include Finance lease receivables, Loans and advances to customers, Long-term and current loans, Trade payables, Trade receivables.

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

The fair value of current and non-current borrowings is based on discounted cash flows using the effective interest rate.

The fair value of finance lease and loan receivables equals the carrying amount, which is the present value of the minimum lease and loan payments discounted using the effective interest rate of the agreement and adjusted for impairment.

The fair value of lease receivables and customer loan and advance receivables is determined based on the discounted cash flow model, consisting of contractual loan cash flows, which are adjusted for expectations of possible changes in value and timing of cash flows using methodology consistent with the expected determination of credit loss as of December 31, 2021 to determine the cash flows expected to be received without impairment losses. The pre-tax weighted average cost of capital (WACC) of the entity holding the financial assets in question is used as the basis for the discount rate. The WACC is based on the estimated actual cost of equity and the cost of debt reflecting any other relevant risks for loan contracts that have not been taken into account by the impairment loss adjustment described above and also includes compensation for the opportunity cost of establishing a similar loan contract.An additional 1.5% is added to the discount rate as an adjustment to take into account portfolio servicing costs that are not captured by the cash flow adjustment.
The annual discount rate has been set as 2021: 13.39%. The impairment loss is estimated by applying the PD and LGD rates, which are in line with the ECL methodology described in "ECL calculation" (Note 3.4).

Management recognizes that if a fair value of these assets/liabilities were measured as an amount at which an asset could be exchanged or a liability could be settled on an arm's length basis with known third parties, the resulting fair values of those assets and liabilities would not be materially different.

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair value:	Carrying value	Fair value	Carrying value	Fair value
	31.12.2022	31.12.2022	31.12.2021.	31.12.2021.
Assets for which fair value is disclosed	BYN	BYN	BYN	BYN
Loans to related parties (do not include loans to mogo Company companies)			-	
Finance lease receivables*	41 734 241	48 101 013	53 871 679	69 842 344
Loans and advances to customers*	1 114 733	1 265 562	2 092 069	2 634 846
Other non-current financial assets	-		-	
Loans to non-related parties	-		-	
Other loans and receivables	500 000	500 000	4 030 991	4 030 991
Other short term receivables from related parties (do not include receivables from mogo Company	-		-	
Cash and cash equivalents	886 685	886 685	715 736	715 736
Total assets for which fair value is disclosed	**44 235 659**	**50 753 260**	**60 710 475**	**77 223 917**
Liabilities for which fair value is disclosed				
Borrowings				
Loan from related parties (do not include loans from mogo Company companies)	-		-	
Mogo Finance S.A. bonds				
Mogo AS bonds				
Lease liabilities for right-of-use assets	(506 216)	(506 216)	(890 222)	(890 222)
Long term loan from banks	(700 000)	(700 000)	(2 548 100)	(2 548 100)
Financing received from P2P investors	(4 226 952)	(4 226 952)	(28 920 148)	(28 920 148)
Short term loan from banks	(4 009 880)	(4 009 880)	(3 094 550)	(3 094 550)
Tokens	(556 655)	(556 655)	(2 422 782)	(2 422 782)
Trade payables	(59 463)	(59 463)	(95 292)	(95 292)
Other liabilities	(5 745 701)	(5 745 701)	(4 966 156)	(4 966 156)
Total liabilities for which fair value is disclosed	**(15 804 867)**	**(15 804 867)**	**(42 937 250)**	**(42 937 250)**
Liabilities measured at fair value				
Other financial liabilities	-		-	
Total liabilities measured at fair value and liabilities for which fair value is disclosed	(15 804 867)	(15 804 867)	(42 937 250)	(42 937 250)

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

Fair value hierarchy:
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data

	Level 1 31.12.2022 BYN	Level 2 31.12.2022 BYN	Level 3 31.12.2022 BYN	Level 1 31.12.2021. BYN	Level 2 31.12.2021. BYN	Level 3 31.12.2021. BYN
Assets for which fair value is disclosed						
Company companies)	-	-	-	-	-	-
Finance lease receivables	-	-	48 101 013	-	-	69 842 344
Loans and advances to customers	-	-	1 265 562	-	-	2 634 846
Loans to non-related parties	-	-	-	-	-	-
Other loans and receivables	-	-	500 000	-	-	4 030 991
include receivables from mogo Company companies)	-	-	-	-	-	-
Cash and cash equivalents	886 685	-	-	715 736	-	-
Total assets for which fair value is disclosed	**886 685**	**-**	**49 866 575**	**715 736**	**-**	**76 508 181**
Liabilities for which fair value is disclosed						
Borrowings						
Company companies)	-	-	-	-	-	-
Mogo Finance S.A. bonds	-	-	-	-	-	-
Mogo AS bonds	-	-	-	-	-	-
Lease liabilities for right-of-use assets	-	-	(506 216)	-	-	(890 222)
Long term loan from banks	-	-	(700 000)	-	-	(2 548 100)
Financing received from P2P investors	-	-	(4 226 952)	-	-	(28 920 148)
Other borrowings	-	-	(4 009 880)	-	-	(3 094 550)
Trade payables	-	-	(59 463)	-	-	(95 292)
Other liabilities	-	-	-	-	-	-
Total liabilities for which fair value is disclosed	**-**	**-**	**(9 502 511)**	**-**	**-**	**(35 548 312)**
Liabilities measured at fair value						
Other financial liabilities	-	-	-	-	-	-
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**-**	**-**	**(9 502 511)**	**-**	**-**	**(35 548 312)**

40. Events after reporting date

From 1 January 2022 to the date of approval of these financial statements the Belarusian Rouble has weakened by 30% against EUR, 27% against USD and appreciated by 17% against RUB respectively.
In January 2022 the Company repaid part of loans and borrowings in the amount BYR 3337 thousand. Also the Company attracted additional loans and borrowings of BYR 3319 thousand.
The increase in inflation had no negative impact on the ability of the Company's customers to meet their obligations. During the reporting period various support programmes were in place to maintain the solvency of the customers and to prevent contractual defaults. The Company regularly monitors the payment discipline of its customers and, if necessary, can offer a range of solutions to overcome short-term financial difficulties of its customers.
This assumption is based on information available as at the date of signing the financial statements and the impact of future events on the company's operations may differ from the company's estimates.

In 2022, many significant sanctions have been imposed by European Union and various countries on Russia and Belarus, certain Russian and Belarusian companies, companies in other jurisdictions, officials, businessmen and other physical persons in connection with the ongoing war in Ukraine, which began on 24 February, 2022. Imposed sanctions and restrictions and military actions creates the economic uncertainty in the World and in Belarus. The full impact of the sanctions and restrictions and military actions on the Company's operations in 2022 cannot be fully predicted, but the Company believes that the sanctions and restrictions imposed and military actions after the date of the financial statements will not materially affect the Company's operations both directly and indirectly. Company`s assumption is based on available information at the time of signing the financial statements, and the impact of future events on the Company's future operations may differ from Company's assessment.

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.

Ivan Lagutin
Director

signature

15th of Mayl, 2023

Annual report drawn up by:
Elena Treskova
Chief Accountant

signature

FBK-BEL LLC

Our. ref. No. 05-01/44 of May 15, 2023

INDEPENDENT AUDITORS' REPORT

To the Director of Mogo Credit LLC
Mr. Ivan M. Lagutin

Audit opinion

We have audited the accompanying separate financial statements of Mogo Credit LLC (Republic of Belarus, 220076, Minsk, 24 P. Mstislavets Street, registered in the Unified State Register of Legal Entities and Individual Entrepreneurs under No. 192981714), which comprise the separate statement of comprehensive income for the year ended 31 December 2022, the separate statement of financial position as at 31 December 2022, separate statement of cash flows and separate statement of changes in equity for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Mogo Credit LLC as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS thereafter).

Basis for audit opinion

We conducted our audit in accordance with the Law of the Republic of Belarus "On Auditing Activities", the National Regulations on Auditing Activities, operating in the Republic of Belarus, International Standards on Auditing ("ISAs"). Our responsibilities under those requirements are further described in the section "Auditor's responsibilities for the audit of the separate financial statements" of our auditor's report. We are independent of Mogo Credit LLC in accordance with the requirements of the Law of the Republic of Belarus "On Auditing Activities", the National Regulations on Auditing Activities and in accordance with the International Ethics Standards Board for Accountants, adopted by the International Federation of Accountants, and we have complied with other principles of professional ethics in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to the Note 26 "Provisions for financial guarantees" which discloses that participation interest in the share capital of Mogo Credit LLC held by the parent company Eleving Group S.A. is pledged in connection with the issue of bonds by the parent company. We do not express a modified audit opinion in connection with this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements for the current period. The below matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matters	Audit procedures performed in relation to a key audit matter and the results of their implementation
Allowance for expected credit losses on finance lease receivables in accordance with IFRS 9 "Financial Instruments"	
We focused on this matter due to significance of finance lease receivables and significance of professional judgement and estimates required for calculation of expected credit losses in accordance	During the audit we examined and assessed the methodologies of Mogo Credit LLC used for assessing the allowance for expected credit losses on finance lease receivables.

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with the IFRS 9 "Financial Instruments". The identification of impairment, significant increase in credit risk, determination of probability of default and loss given default, determination of the recoverable amount and forecast of macroeconomic variables require a high level of professional judgement. Assessment of expected credit losses involves estimation techniques including internal credit ratings for calculation probability of default, historical data for determination of loss given default and forecasting of macroeconomic variables. Signs of significant increase in credit risk are also judgmental and are based on extent of downgrade in internal credit ratings, days overdue and other factors. The use of various models and assumptions in the calculation of expected credit losses can significantly affect the level of the allowance for expected credit losses on finance lease receivables. Note 3 "Significant accounting policies", Note 22 "Finance lease receivables", Note 38 "Financial risk management" included in the separate financial statements, provide detailed information on the allowance for expected credit losses and the management approach to assessing and managing risk.	We assessed credit risk factors used for determining significant increase in credit risk. We analyzed models, key inputs and assumptions, model for assessing the probability of default, the level of recovery and adjustments due to macroeconomic factors, used for calculation of expected credit losses. We tested (on a sample basis) valuation models for sampled lease agreement. Our work included assessment if the models and inputs are appropriate, re-performance of sampled calculations, and various analytical and other procedures. We analyzed information related to the allowance for expected credit losses on finance lease receivables, disclosed in the notes to the separate financial statements. The audit evidence we have obtained as a result of the performed audit procedures is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the preparation of the separate financial statements

Management of Mogo Credit LLC is responsible for the preparation and fair presentation of the accompanying separate financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, Management is responsible for assessing the ability of Mogo Credit LLC to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Mogo Credit LLC or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the separate financial statements

The objectives of our audit are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Law of the Republic of Belarus "On Auditing Activities" and the National Regulations on Auditing Activities, operating in the Republic of Belarus, ISAs will always detect a material misstatement when it exists. Misstatements can arise from error and/or fraud are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with Law of the Republic of Belarus "On Auditing Activities" and the National Regulations on Auditing Activities, operating in the Republic of Belarus, ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control of Mogo Credit LLC relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Mogo Credit LLC;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in the separate financial statements;

- Conclude on the appropriateness of Management's of Mogo Credit LLC use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Mogo Credit LLC to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Mogo Credit LLC to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with management responsibilities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are required to provide those charged with management responsibilities with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with management responsibilities, we determine the key audit matters. We disclose these matters in audit independent report unless law or regulation precludes public disclosure about the matter or when we reasonably determine that he adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of the disclosure.

Engagement partner,

Deputy Director of FBK-Bel LLC — Alexey G. Petuh

(order No. 6-1/OD dated 15.01.2021) — *(auditor's qualification certificate No. 0000099)*

Auditor in-charge,

Deputy Director for Bank Auditing of FBK-Bel LLC — Renata V. Kirslite

(auditor's qualification certificate No. 0002131)

Information about the audit organization:

FBK-Bel LLC;

Location: office 201-11, 22A Logoisky highway, Minsk, 220090, Republic of Belarus;

Information on state registration: registered by the Minsk City Executive Committee in the Unified State Register of Legal Entities and Individual Entrepreneurs on 06 February 2009 under No. 690398039;

TIN 690398039.

FBK-BEL LLC

The registration number of the entry of the audit organization in the register of audit organizations is 10069.
Date of signing the auditor's report May 15, 2023.

Auditors' report received on May 15, 2023.

Director of Mogo Credit LLC, Ivan M. Lagutin