MOGO Credit LLC

(UNIFIED REGISTRATION NUMBER 192981714)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 Company	MOGO Credit LLC	
Legal status of the 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 shareholders	Eleving Stella AS (Mogo Eastern Europe AS)	100%
	from 01.09.2021	
	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 2021	
Previous financial year	1 January - 31 December 2020	
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

15 May 2023

Type of activity

Mogo Credit LLC (the Company) is one of the largest long-term rental companies in Belarus. In 2021, 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 2021 has been approved by decision of the Board of Directors on 15 May 2023.

	2021	2020
Average number of employees	79,4	64

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 2020, results of operations and cash flows as at 31 December 2021.

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	2021 BYN	2020 BYN
Interest revenue calculated using the effective interest method	7	22 540 524	19 841 955
Interest expense calculated using the effective interest method	8	(6 741 498)	(5 999 601)
Net interest income		**15 799 026**	**13 842 354**
Fee and commission income/(loss)	10	713 882	431 537
Impairment expense	12	585 043	(4 259 872)
Expenses related to peer-to-peer platform services	13	(338 550)	(274 828)
Other operating revenue	9	34 634	958 760
Selling expense	14	(890 599)	(783 417)
Administrative expense	15	(7 120 228)	(5 610 959)
Other operating income	16	3 856	108
Other operating expense	17	(490 385)	(714 938)
Net foreign exchange result	18	3 936 476	(6 022 932)
Profit before tax		**12 233 155**	**(2 434 187)**
Corporate income tax	19	(1 880 489)	(38 142)
Deferred tax	20	(564 123)	563 497
Net profit for the period		**9 788 543**	**(1 908 832)**
Profit is attributable to:			
Equity holders of the Company		9 788 543	(1 908 832)
Net profit for the year		**9 788 543**	**(1 908 832)**

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

15th of May, 2023

Ivan Lagutin

Director

signature

Annual report drawn up by:

Elena Treskova

Chief of Financial department

signature

Общество с ограниченной ответственностью «МОГО КРЕДИТ» г. Минск Республика Беларусь

Separate Statement of Financial Position

ASSETS

	Notes	31.12.2021. BYN	31.12.2020. BYN	01.01.2020 BYN
NON-CURRENT ASSETS				
Intangible assets				
Concessions, patents, licences, trademarks and similar rights	21.1	69 532	22 317	3 845
Total intangible assets		**69 532**	**22 317**	**3 845**
Tangible assets				
Right-of-use assets	21.3	865 006	840 131	477 808
Property, plant and equipment	21.2	126 243	134 781	122 809
Total tangible assets		**991 249**	**974 912**	**600 617**
Non-current financial assets				
Finance lease receivables	22	36 355 124	31 745 795	19 903 633
Loans and advances to customers	23	1 127 112	1 895 945	2 245 732
Investments in subsidiaries		5 000	-	-
Deferred tax	20	237 410	801 533	238 036
Total non-current financial assets		**37 724 646**	**34 443 273**	**22 387 401**
TOTAL NON-CURRENT ASSETS		38 785 427	35 440 502	22 991 863
CURRENT ASSETS				
Inventories				
Purchased vehicles held for sale		73 953	35 487	91 723
Total inventories		**73 953**	**35 487**	**91 723**
Receivables and other current assets				
Finance lease receivables	22	17 078 512	13 361 363	7 327 241
Loans and advances to customers	23	906 943	1 414 254	1 185 786
Other loans and receivables	24	4 030 991	710 000	-
Non-current assets held for sale	25	496 058	1 154 038	435 198
Trade receivables	27	792	-	50 308
Prepaid expense	28	100 592	63 445	58 497
Other short term receivables from related parties		-	-	-
Other receivables	30	301 480	724 801	614 417
Total receivables and other current assets		**22 915 368**	**17 427 901**	**9 671 447**
Cash and cash equivalents		715 736	55 710	423 872
TOTAL CURRENT ASSETS		23 705 057	17 519 098	10 187 042
TOTAL ASSETS		62 490 484	52 959 600	33 178 905

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

15th of May, 2023

Ivan Lagutin

Director

signature

Annual report drawn up by:

Elena Treskova

Chief of Financial department

signature

Separate Statement of Financial Position

EQUITY AND LIABILITIES

	Notes	31.12.2021. BYN	31.12.2020. BYN	01.01.2020 BYN
EQUITY				
Share capital	29	125 000	125 000	125 000
Retained earnings/(losses)		1 066 366	(2 607 967)	(614 343)
brought forward		(8 722 177)	(699 135)	(1 020 414)
for the period		9 788 543	(1 908 832)	406 071
Reserve for financial guarantees		(822 538)	(1 784 563)	(1 767 107)
TOTAL EQUITY		368 828	(4 267 530)	(2 256 450)
PROVISIONS FOR LIABILITIES AND CHARGES				
Provisions for financial guarantees	26	787 904	825 804	1 682 321
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		787 904	825 804	1 682 321
LIABILITIES				
Non-current liabilities				
Borrowings	31	40 605 996	44 520 857	30 749 857
Total non-current liabilities		40 605 996	44 520 857	30 749 857
Current liabilities				
Borrowings	31	14 437 900	10 486 542	2 212 150
Prepayments received from customers		5 740	4 655	6 815
Trade payables		95 292	67 751	106 964
Payables to related parties	32	-	486	362 474
Corporate income tax payable		294 885	3	-
Taxes payable	33	879 729	474 427	271 230
Other liabilities	34	4 552 019	363 431	(130 300)
Accrued liabilities	35	462 191	483 174	173 844
Total current liabilities		20 727 756	11 880 469	3 003 177
TOTAL LIABILITIES		61 333 752	56 401 326	33 753 034
TOTAL EQUITY AND LIABILITIES		62 490 484	52 959 600	33 178 905

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

15th of May, 2023

Ivan Lagutin
Director

signature

Annual report drawn up by:

Elena Treskova
Chief of Financial department

signature

Separate Statement of Cash Flows

	Notes	31.12.2021. BYN	31.12.2020. BYN
Cash flows to/from operating activities			
Profit before tax from continuing operations		12 233 155	(2 434 187)
Adjustments for:			
Amortization and depreciation		377 194	258 034
Interest expense	8	6 741 498	5 999 601
Interest income	7	(22 540 524)	(19 841 955)
Impairment expense	12	(585 043)	4 259 872
Financial guarantees		34 634	958 760
Effect of exchange rates on operating activities		(3 936 476)	6 022 932
Operating profit before working capital changes		**(7 675 562)**	**(4 776 943)**
Decrease/ (increase) in finance lease receivables, loans and advances to customers, trade and other receivables		(9 470 043)	(13 239 116)
Increase in advances received and trade payables and guarantees		7 704 715	43 111
Cash generated to/from operations		**(9 440 890)**	**(17 972 948)**
Interest received		18 460 738	15 815 568
Interest paid		(4 450)	(4 197)
VAT and other taxes paid		(2 171 040)	(1 211 341)
Corporate income tax paid		(1 317 000)	(286 000)
Net cash flows to/from operating activities		**5 527 359**	**(3 658 918)**
Cash flows to/from investing activities			
Purchase of property and equipment and other intangible assets		-	(140 000)
Investments in Subsidiaries		(5 000)	
Interest received		92 927	47 000
Net cash flows to/from investing activities		**87 927**	**(93 000)**
Cash flows to/from financing activities			
Proceeds from borrowings		35 520 000	22 009 000
Repayments for borrowings		(35 667 000)	(15 148 000)
Interest paid		(3 413 000)	(3 338 000)
Payments for borrowings acquisition costs			
Repayment of liabilities for right-of-use assets		(452 260)	(291 242)
Dividends paid		(792 000)	
Guarantees issued			
Net cash flows to/from financing activities		**(4 804 260)**	**3 231 758**
Change in cash		**811 026**	**(520 160)**
Net foreign exchange difference		(151 000)	152 000
Cash at the beginning of the year		55 710	423 870
Cash at the end of the year		**715 736**	**55 710**

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

15th of May, 2023

Ivan Lagutin

Director

signature

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 01.01.2020.	**125 000**			**(1 767 107)**	**(614 343)**	**(2 256 450)**
Profit for the reporting year					(1 908 832)	**(1 908 832)**
Total comprehensive income for the period	-	-	-	-	(1 908 832)	**(1 908 832)**
Change in net financial guarantees (Note 26)				(17 456)	(84 792)	**(102 248)**
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 recognized in the reporting year	-	-	-	-	9 788 543	**9 788 543**
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

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

15th of May, 2023

Ivan Lagutin
Director
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

2_a). Basis of preparation

These financial statement as of and for the year ended 31 December 2021 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 2021 till 31 December 2021. 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.

2_b). Transition to IFRS

Financial statements, for the year ended 31 December 2021, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Company prepared financial statements in accordance with the regulatory legal acts of the Republic of Belarus governing the procedure of accounting and preparation of annual individual financial statements of the enterprise.

Accordingly, the Company has prepared preliminary financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the year ended 31 December 2020, as described in the summary of significant accounting policies. In preparing the preliminary financial statements, the Company's opening statement of financial position was prepared as at 1 January 2020, the Company's date of transition to IFRS.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Company as a first-time adopter

These financial statements, for the year ended 31 December 2021, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with Belarus generally accepted accounting principles. Accordingly, the Company has prepared financial statements that comply with IFRS

This note explains the principal adjustments made by the Company in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2020 and the financial statements for the year ended 31 December 2020.

Exemptions applied

The Company did not apply an amendment to IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

Estimates

The estimates at 1 January 2020 and at 31 December, 2020 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies)

The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2020, the date of transition to IFRS and as at 31 December 2020.

Re-assessment of reporting statements items

2 b). Transition to IFRS (continued)

The company changed the presentation of certain expense items in the statement of financial position and the statement of comprehensive income from Local GAAP.
The most significant Remeasurements are:

1) Property, plant and equipment, Intangible assets

Changes in terms of different accounting policies, namely, useful lives

2) Other non-current financial assets

In IFRS, the amount of Finance lease receivables and
Loans and advances to customers includes a part of future expenses that are capitalized at the EIR rate (e.g. dealer's commission, GPS tracker installation, bonuses).
The amount of the current debt on the lease payment in terms of interest-recognition on a daily accrual basis.

Deferred tax is calculated for all temporary differences by the liability method using an effective tax rate of 18% (2020: 18%).

IFRS adjustments have been made to the Company's balance sheet items "Right-of-use assets", "Finance lease receivables" and "Provisions for financial guarantees", which have been recognised and measured in accordance with the requirements of International Financial Reporting Standard No 16 "Leases" and No 9 "Financial instruments".
In Local GAAP Finance lease receivables and
Loans and advances are recognized in accordance with the lease payment schedule,
Interest is recognized monthly in accordance with the lease payment schedule.
Deferred tax asset is not recognized.

3) Trade and other receivables; Trade receivables from contracts with customers

In IFRS, the amount of Finance lease receivables and
Loans and advances to customers includes a part of future expenses that are capitalized at the EIR rate (e.g. dealer's commission, GPS tracker installation, bonuses).

The amount of the current debt on the lease payment in terms of interest-recognition on a daily accrual basis.

In Local GAAP Finance lease receivables and
Loans and advances are recognized in accordance with the lease payment schedule,
Interest is recognized monthly in accordance with the lease payment schedule.

3) Contract assets

This item includes assets held for sale, IFRS accrues Provision for impairment based on IFRS 9, also different approach betweenIn Local GAAP and IFRS in the amount of recognition

4) Other current financial assets

This item contains advances to suppliers and prepaid expenses, the timing difference between advances to suppliers and prepaid expenses
In IFRS, expenses that can be identified to a period are allocated to expenses on a monthly basis. In Local GAAP, according to the legislation, expenses are recognised on acquisition..

5) Provisions

IFRS accrues Provision for impairment based on IFRS 9. Provision for impairment based on IFRS 9.

6) Trade and other payables

This item contains expenses that can be charged to the current period.There is a timing difference in the dates of recognition of expenses.
In IFRS, expenses that can be identified as current period are recognised in the financial statements in the current period. In local GAAP, expenses are recognised on an accrual basis when the act is signed .

2 b). Transition to IFRS (continued)

Company reconciliation of equity as at 1 January 2020 (date of transition to IFRS)

	Notes	Local GAAP	Remeasurements	IFRS as at 01.01.2020.
Assets				
Non-current assets				
Property, plant and equipment		123 138	(329)	122 809
Intangible assets		3 500	345	3 845
Other non-current financial assets		23 343 427	(478 218)	22 865 209
		23 470 065	**(478 202)**	**22 991 863**
Current assets				
Inventories		91 723	-	91 723
Trade and other receivables		87 263	(36 955)	50 308
Trade receivables from contracts with customers		8 649 014	(135 987)	8 513 027
Contract assets		570 331	(135 133)	435 198
Prepayments			-	
Other current financial assets		517 455	155 459	672 914
Cash and short-term deposits		423 872	-	423 872
	-	**10 339 658**	**(152 616)**	**10 187 042**
Total assets		**33 809 723**	**(630 818)**	**33 178 905**

	Notes	Local GAAP	Remeasurements	IFRS as at 01.01.2020.
Equity and laibilities				
Equity				
Issued capital		125 000	-	125 000
Share premium			-	
Other capital reserves			(1 767 107)	(1 767 107)
Retained earnings		62 522	(676 865) -	614 343
Total equity		**187 522**	**(2 443 972)**	**(2 256 450)**
Non-current liabilities				
Interst bearing loans and borrowings		30 749 857		30 749 857
Other non-current financial liabilities				
Provisions		-	1 682 321	**1 682 321**
Contract liabilities				
Other liabilties				
Deferred tax liabilities				
		30 749 857	**1 682 321**	**32 432 178**
Current liabilities				
Trade and other payables		519 265	130 832	650 097
Interest bearing loans and liabilities		2 212 150		**2 212 150**
Other current financial liabilities		140 930	0	140 930
Contract liabilities				
Income tax payable				
Provisions				
		2 872 345	**130 832**	**3 003 177**
Total liabilities		**-**	**-**	**-**
Total equity and liabilities		33 809 723	(630 818)	33 178 905

2 b). Transition to IFRS (continued)

Group reconciliation of equity as at 31 December 2020

	Notes	Local GAAP	Remeasurements	IFRS as at 31.12.2020.
Assets				
Non-current assets				
Property, plant and equipment		160 389 -	25 608	134 781
Intangible assets		18 717	3 600	22 317
Other non-current financial assets		34 906 000	377 404	35 283 404
		35 085 106	**355 396**	**35 440 502**
Current assets				
Inventories		35 487	-	35 487
Trade and other receivables			-	-
Trade receivables from contracts with customers		17 454 000 -	2 678 383	14 775 617
Contract assets		2 025 834 -	871 796	1 154 038
Prepayments			-	
Other current financial assets		248 546	1 249 700	1 498 246
Cash and short-term deposits		859 971 -	804 261	55 710
		20 623 838 -	3 104 740	17 519 098
Total assets		**55 708 943**	**(2 749 343)**	**52 959 600**
	Notes	**Local GAAP**	**Remeasurements**	**IFRS as at 31.12.2020.**
Equity and laibilities				
Equity				
Issued capital		125 000	-	125 000
Share premium			-	
Other capital reserves		-	1 784 563,00 -	1 784 563
Retained earnings		416 630 -	3 024 599 -	2 607 969
Total equity		**541 630**	**(4 809 162)**	**(4 267 532)**
Non-current liabilities				
Interest bearing loans and borrowings		44 520 857	-	44 520 857
Other non-current financial liabilities			-	
Provisions		-	825 804	825 804
Contract liabilities				
Other liabilties				
Deferred tax liabilities				
		44 520 857	**825 804**	**45 346 661**
Current liabilities				
Trade and other payables		72 894	483 174,00	556 068
Interest bearing loans and liabilities		9 735 701	750 841,00	10 486 542
Other current financial liabilities		837 858	-	837 858
Contract liabilities			-	
Income tax payable		3	-	3
Provisions				
		10 646 457	1 234 015	11 880 471
Total liabilities		**55 167 314**	**1 234 015**	57 227 132
Total equity and liabilities		**55 708 943**	**(1 790 584)**	**52 959 600**

2_b). Transition to IFRS (continued)

Group reconciliation of total comprehensive income for the year ended 31 December 2020

	Notes	Local GAAP	Remeasurements	IFRS as at 31.12.2020.
Interest revenue		19 901 096	-105 861	19 795 235
Interest expense		-5 978 000	-21 601	-5 999 601
Net interest income		**13 923 096**	**-127 462**	**13 795 634**
Fee and commission income/(loss)		390 237	41 300	431 537
Impairment expense		-	-4 259 872	-4 259 872
Net gain/(loss) from de-recognition of financial assets meː			-	
Expenses related to peer-to-peer platform services		-274 828	-	-274 828
Revenue from leases			-	-
Revenue from car sales			-	-
Other operating revenue			958 760	958 760
		-	-	-
Selling expense		-786 260	2 843	-783 417
Administrative expense		-6 919 208	675 886	-6 243 322
Other operating income		108	-	108
Other operating expense		-35 855	-	-35 855
Net foreign exchange result		-6 127 932	105 000	-6 022 932
Profit before tax		**169 358**	**-2 603 545**	**-2 434 187**
Corporate income tax		-38 142	-	-38 142
Deferred corporate income tax		-	563 497	563 497
Net profit for the period		**131 216**	**-2 040 048**	**-1 908 832**
Profit is attributable to:				
Equity holders of the Parent Company		131 216	-2 040 048	-1 908 832
Non-controlling interests				-
Net profit for the year		**131 216**	**(2 040 048)**	**(1 908 832)**

2_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.

2_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 2021 and 31 December 2020, respectively.

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2020

IFRS 16: Leases

The Group has early adopted COVID-19 - Related Rent Concessions – Amendment to IFRS 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively, the effect of application is not significant.

Adoption of new and revised standards and interpretations

A number of new standards (or amendments) are effective from 1 January 2021 but they do not have a material effect on the Company's separate financial statements.

– COVID-19-Related Rent Concessions (Amendment to IFRS 16);
– Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's separate financial statements.

2 d). Standards issued but not yet effective and not early adopted (continue)

— Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
— Reference to Conceptual Framework (Amendments to IFRS 3);
— Cost of Fulfilling a Contract (Amendments to IAS 37;
— Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
— Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
— IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

3. Significant accounting policies

3.1. 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.

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.

3.3 Financial assets (d) SPPI test (excluding principal and interest payments) (continue)

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).

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.

3.3 Financial assets (f) Modifications (continue)

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.

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)

During year 2021 the Company changed the benchmarked general approach for the vehicle rental product and estimates ECL based on simplified approach. Simplified approach for ECL calculation is justified by product nature – for trade receivables provision matrix can be applied. A provision matrix is nothing more than applying the relevant loss rates to the trade receivable balances outstanding.

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 group, 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.

3.4 Impairment of financial assets other than loans and advances

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

The DPDs are splitted into periods by days - by ageing:
• current
• 1-35 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)

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)
• 1-35 DPD (Rent payment is overdue for 1-30 days past due)
• 36-60 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 35 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 36-60 days overdue to be in stage 2. In addition, an unsecured loan is considered to be in stage 2 if the DPD is between 36-60 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

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:

3.4 Impairment of financial assets other than loans and advances

ECL calculation (continue)

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.

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:

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.

3.9 Financial leasing - Company as leasing company (continue)

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:
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 28) 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)

3.12. Transactions with peer-to-peer platforms

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.

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

	2021 BYN	2020 BYN
Interest income from finance lease receivables	21 275 755	17 988 036
Interest income from loans and advances to customers	1 174 757	1 810 651
Other interest income	90 012	43 268
TOTAL:	22 540 524	19 841 955

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

	2021 BYN	2020 BYN
Interest expenses on financial liabilities measured at amortized cost:		
Interest expenses for loans from P2P platform investors	2 881 112	2 225 023
Interest expense on issued bonds	-	-
Interest expenses for bank liabilities and related parties	3 745 935	3 727 217
Interest expenses for lease liabilities	54 853	47 361
Interest expenses on Tokens	59 598	
TOTAL:	6 741 498	5 999 601

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

	2021 BYN	2020 BYN
Interest expenses on financial liabilities measured at amortized cost:		
Income from financial guarantees*	(34 634)	(958 760)
TOTAL:	(34 634)	(958 760)

*(see note 26)

10. Fee and commission income/(loss)

	2021 BYN	2020 BYN
Revenue from contracts with customers recognized point in time:		
Income from penalties received	445 186	382 700
Income from commissions	253 056	177 382
Income from providing registration services	-	-
TOTAL:	698 242	560 082

	2021 BYN	2020 BYN
Revenue from contracts with customers recognized point in time where the Group acted as an agent:		
Gross income from debt collection activities	536 378	487 391
Gross expenses from debt collection activities	(520 738)	(615 936)
TOTAL:	15 640	(128 545)
Total fees and commissions income:	713 882	431 537

11. Cash

	2021 BYN	2020 BYN
Cash in bank accounts	(715 736)	55 710
TOTAL:	(715 736)	55 710

This financial asset is not impaired as of December 31, 2021.
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

	2021	2020
	BYN	BYN
Change in impairment	(579 318)	4 317 657
Written off debts	(5 725)	(57 785)
TOTAL:	**(585 043)**	**4 259 872**

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

	2021	2020
	BYN	BYN
Service fee for using P2P platform	338 550	274 828
TOTAL:	**338 550**	**274 828**

14. Selling expense

	2021	2020
	BYN	BYN
Online marketing expenses	348 323	340 922
TV advertising	-	811
Radio advertising	8 840	26 065
Other marketing expenses	429 375	347 829
Total marketing expenses	*786 538*	*715 627*
Other selling expenses	104 061	67 790
TOTAL:	890 599	783 417

15. Administrative expense

	2021	2020
	BYN	BYN
Employees' salaries	2 938 093	2 193 095
Expenses from management fee	2 183 015	2 067 924
Amortization and depreciation	377 194	258 034
Professional services	187 940	109 431
Office and branches' maintenance expenses	238 818	193 031
IT services	101 231	110 836
Credit database expenses	34 206	42 464
Employee recruitment expenses	1 666	1 521
Communication expenses	104 475	73 632
Real estate tax	26 314	21 198
Car registration expenses	-	-
Business trip expenses	19 560	13 029
Donations	-	-
Bank commissions	333 335	230 346
Low value equipment expenses	28 954	36 331
Other personnel expenses	2 056	1 832
Transportation expenses	20 704	11 278
Insurance expenses	-	-
Other administration expenses	522 667	246 977
TOTAL:	7 120 228	5 610 959

Key management personnel compensation

	2021	2020
Members of the Management	BYN	BYN
Remuneration*	357 359	221 289
Social security contribution expenses	33 545	27 741
TOTAL:	390 904	249 030

Key management personnel is considered to be all Group top management employees, regional management employees and country managers.

16. Other operating income

	2021	2020
	BYN	BYN
CDS fee	660	-
Income from dividends	-	-
Income from management fee	-	-
Other income	3 196	108
TOTAL:	**3 856**	**108**

17. Other operating expense

	2021 BYN	2020 BYN
Provision expenses for possible VAT liabilities	-	-
Non-deductible VAT from management services	401 540	678 353
Provision expenses for possible corporate income tax liabilities (Note 36)	-	-
Provision expenses for possible withholding tax liabilities	-	-
Other operating expenses	88 845	36 585
TOTAL:	**490 385**	**714 938**

18. Net foreign exchange result

	2021 BYN	2020 BYN
Currency exchange gain	3 955 513	-
Currency exchange loss	(19 037)	(6 022 932)
TOTAL:	**3 936 476**	**(6 022 932)**

19. Corporate income tax

	2021 BYN	2020 BYN
Current corporate income tax charge for the reporting year	1 880 489	38 142
Deferred corporate income tax due to changes in temporary differences	564 123	(563 497)
Corporate income tax charged to the income statement:	**2 444 612**	**(525 355)**

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

		2021	2020
Profit/ (loss) before tax		**12 233 155**	**(2 434 187)**
Tax at the applicable tax rate of...	18%	**2 201 968**	**(438 154)**
Income tax effect from profit taxable with 0% rate			
Deferred tax asset not recognized			
Previous years deferred tax asset reversed			-
Permanent differences:			
With business not related expenses			
Other		242 644	(87 201)
Tax rebate on donations			
Actual corporate income tax for the reporting year:		**2 444 612**	**(525 355)**

20. Deferred tax

	31.12.2021. BYN	31.12.2020. BYN	2021 BYN	2020 BYN
Deferred corporate income tax liability				
Accelerated depreciation for tax purposes	-			
Other	-			
Gross deferred tax liability	**-**	**-**	**-**	**-**
Deferred corporate income tax asset				
Tax loss carried forward	-	-	-	-
Unused vacation accruals	(29 573)	(19 772)	(9 801)	(19 772)
Impairment	(71 562)	(544 830)	473 268	(544 830)
Cars in stock	(142 775)	(157 659)	14 884	(157 659)
Other assets (GPS, Low value assets)	(12 909)	(9 460)	(3 449)	(9 460)
Accrued revenue	-	-	-	-
IFRS16 assets	147 182	147 097	85	147 097
IFRS16 liability	(156 350)	(176 026)	19 676	(176 026)
Accured Income Interest	108 400	80 193	28 207	80 193
EIR adjustment	21 413	14 006	7 407	14 006
Deferred Commissions	128 974	67 367	61 607	67 367
Accruals	(16 238)	(20 554)	4 316	(20 554)
Intercompany Accruals	-	-	-	-
Deferred commission income	(213 972)	(181 895)	(32 077)	(181 895)
Gross deferred tax asset	**(237 410)**	**(801 533)**	**564 123**	**(801 533)**
Net deferred tax liability/ (asset)	**(237 410)**	**(801 533)**	**564 123**	**(801 533)**
Reversal of deferred tax**:				
In the statement of comprehensive income			1 880 489	38 142
Net deferred corporate income tax assets	(237 410)	(801 533)		
Net deferred corporate income tax expense/ (benefit)			2 444 612	(763 391)

Deferred tax is calculated for all temporary differences by the liability method using an effective tax rate of 18% (2020: 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 01.01.2020.				
Cost	-	6 184	-	6 184
Accumulated amortization and impairment	-	(2 338)	-	(2 338)
Carrying amount	**-**	**3 845**	**-**	**3 845**
2020				
Additions	750	21 927	-	22 677
Amortization charge	(208)	(3 997)		(4 205)
As at 31.12.2020.				
Cost	750	28 110	-	28 860
Accumulated amortization and impairment	(208)	(6 335)	-	(6 543)
Carrying amount	**542**	**21 775**	**-**	22 317
As at 01.01.2021.				
Cost	750	28 110	-	28 860
Accumulated amortization and impairment	(208)	(6 335)	-	(6 543)
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 impairment	(458)	(16 875)	-	(17 334)
Carrying amount	**27 390**	**42 142**	**-**	69 532

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 01.01.2020.				
Cost	178 269	-	-	178 269
Accumulated depreciation and impairment	(55 460)	-		(55 460)
Carrying amount	**122 809**	-	-	122 809
2020				
Additions	111 036	613	-	111 649
Cost of disposals	(5 671)	-	-	(5 671)
Accumulated depreciation of disposals	1 188			1 188
Depreciation charge	(72 097)	(170)		(72 267)
As at 31.12.2020.				
Cost	283 634	613	-	284 247
Accumulated depreciation and impairment	(126 369)	(170)	-	(126 540)
Carrying amount	**157 265**	**443**	-	157 707
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	-	31 818	108 287
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	31 818	367 064
Accumulated depreciation and impairment	(193 119)	(376)	-	(193 494)
Carrying amount	**141 514**	**237**	**31 818**	173 570

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. Group 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 Group can benefit from use of the assets on its own, or together with, other resources that are readily available to the Group; 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 financial 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		(817 917)	(817 648)
Right-of-use assets - motor vehicles		(47 089)	(22 483)
	TOTAL:	**(865 006)**	**(840 131)**
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities for right-of-use assets		490 648	668 965
Current liabilities			
Lease liabilities for right-of-use assets		399 574	308 956
	TOTAL:	**890 222**	**977 921**

21. Long term assets (continued)
21.3. Right-of-use assets (continued)

Leases in the statement of comprehensive income	31.12.2021. BYN	31.12.2020. BYN
Administrative expense		
Expenses relating to leases of low-value assets and short-term leases	(126 048)	(95 788)
Depreciation of right-of-use assets - premises (Note 21)	(292 881)	(181 790)
Depreciation of right-of-use assets - vehicles (Note 21)	-	-
Other income		
Disposal (expenses)/income from dicounts/cancellation of right-of-use assets	21 522	33 697
Net finance costs		
Interest expense for right-of-use premises	(50 403)	(43 164)
Interest expense for right-of-use vehicles	(4 450)	(4 197)
Total cash outflow from leases	**(452 260)**	**(291 242)**

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, 2021. 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	31.12.2021.	31.12.2021.	31.12.2020.	31.12.2020.
Up to one year	40 885 991	20 969 862	33 848 464	16 381 832
Years 2 through 5 combined	60 476 244	35 717 504	55 244 675	31 754 445
More than 5 years	1 368 761	1 025 315	1 474 993	1 118 497
TOTAL, GROSS:	**102 730 996**	**57 712 681**	**90 568 132**	**49 254 774**

Unearned finance income	31.12.2021. BYN	31.12.2020. BYN
Up to one year	19 916 129	17 466 632
Years 2 through 5 combined	24 758 740	23 490 230
More than 5 years	343 446	356 496
TOTAL, GROSS:	**45 018 315**	**41 313 358**

Finance lease receivables	31.12.2021. BYN	31.12.2020. BYN
Non-current finance lease receivables	36 742 818	32 872 941
Current finance lease receivables	19 295 240	14 704 542
Accrued interest and handling fee	1 674 623	1 677 291
TOTAL, GROSS:	**57 712 681**	**49 254 774**

22. Finance Lease Receivables (continued)

Finance lease receivables, net	Non-Current 31.12.2021. BYN	Current 31.12.2021. BYN	Non-Current 31.12.2020. BYN	Current 31.12.2020. BYN
Finance lease receivables	36 742 819	19 295 241	32 872 941	14 704 542
Accrued interest and handling fee	-	1 674 623	-	1 677 291
Fees paid and received upon loan disbursement	(58 517)	(30 730)	(179 254)	(80 182)
Impairment allowance	(329 178)	(3 860 622)	(947 892)	(2 940 288)
	36 355 124	**17 078 512**	**31 745 795**	**13 361 363**

Finance lease receivables	31.12.2020. Stage 1	Stage 2	Stage 3	TOTAL
Not past due	41 662 397	1 156 313	184	42 818 894
Days past due up to 35 days	576 159	982 513	33 905	1 592 577
Days past due up to 60 days	39 811	-	570 681	610 492
Days past due over 60 days	329 955	-	3 902 857	4 232 812
TOTAL, GROSS:	42 608 322	2 138 826	4 507 626	49 254 774
	0	(0)	-	

Finance lease 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	-	-	4 527 952	4 527 952
TOTAL, GROSS:	51 960 830	1 047 919	4 703 932	57 712 681
	(0)	-	-	

Finance lease receivables	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 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**
	0,13	-	-	

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	810 298	265 857	2 812 023	3 888 178
Transfer to Stage 1	128 310	(101 414)	(26 895)	-
Transfer to Stage 2	(18 824)	36 733	(17 910)	-
Transfer to Stage 3	(35 722)	(76 918)	112 640	-
Impairment for new financial assets acquired	181 429	11 462	33 219	226 110
Reversed impairment for settled receivables	(175 483)	(62 246)	(191 990)	(429 720)
Net remeasurement of loss allowance	(505 255)	(2 450)	1 051 583	543 877
Foreign exchange movements	(10 393)	(3 464)	(24 788)	(38 645)
Balance at 31 December 2021	**374 359**	**67 560**	**3 747 881**	**4 189 800**

Total gross portfolio derecognised from Company financial assets were:

	31.12.2021. BYN	31.12.2020. BYN
Loan receivable	-	-
TOTAL:	-	-

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
Loans and advances to customers	31.12.2021.	31.12.2021.	31.12.2020.	31.12.2020.
Up to one year	2 098 358	1 327 875	3 088 872	1 826 937
Years 2 through 5 combined	1 895 939	1 154 827	3 415 623	1 948 978
More than 5 years	9 272	7 508	82 898	64 879
TOTAL, GROSS:	**4 003 569**	**2 490 210**	**6 587 393**	**3 840 794**

Unearned finance income	31.12.2021. BYN	31.12.2020. BYN
Up to one year	770 483	1 261 935
Years 2 through 5 combined	741 112	1 466 645
More than 5 years	1 764	18 019
TOTAL, GROSS:	**1 513 359**	**2 746 599**

Loans and advances to customers	31.12.2021. BYN	31.12.2020. BYN
Non-current loans and advances to customers	1 162 335	2 013 857
Accrued interest (non current)	-	-
Current loans and advances to customers	1 162 423	1 613 170
Accrued interest (current)	165 452	213 767
TOTAL, GROSS:	**2 490 210**	**3 840 794**

Loans and advances to customers, net	**Non-Current** 31.12.2021. BYN	**Current** 31.12.2021. BYN	**Non-Current** 31.12.2020. BYN	**Current** 31.12.2020. BYN
Loans and advances to customers	1 162 336	1 162 424	2 013 857	1 613 170
Accrued interest	-	165 452	-	213 767
Fees paid and received upon loan disbursment	(12 278)	(12 279)	(22 726)	(18 206)
Impairment allowance	(22 946)	(408 654)	(95 186)	(394 477)
	1 127 112	**906 943**	**1 895 945**	**1 414 254**

	31.12.2020.			
Loans and advances to customers	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	2 579 617	259 804	(5 661)	2 833 760
Days past due up to 35 days	169 909	143 720	27 398	341 027
Days past due up to 60 days	-	-	52 176	52 176
Days past due over 60 days	62 662	-	551 169	613 831
TOTAL, GROSS:	**2 812 188**	403 524	625 082	3 840 794

23. Loans and advances to customers (continued)

	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	-	-	473 917	473 917
TOTAL, GROSS:	**1 825 485**	**190 807**	**473 918**	**2 490 210**

Loans and advances to customers	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	1 825 486	190 807	473 918	2 490 210

Impairment allowance	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	61 990	47 652	380 021	489 663
Transfer to Stage 1	21 882	(12 843)	(9 040)	-
Transfer to Stage 2	(2 945)	5 027	(2 082)	-
Transfer to Stage 3	(2 987)	(4 407)	7 394	-
Impairment for new financial assets acquired	4 891	1 822	-	6 714
Reversed impairment for settled receivables	(20 595)	(23 434)	(42 486)	(86 515)
Reversed impairment for written off receivables	-	-	-	-
Net remeasurement of loss allowance	(43 434)	(544)	69 323	25 346
Foreign exchange movements	(735)	(573)	(2 299)	(3 608)
Balance at 31 December	18 068	12 701	400 831	431 600

Total gross portfolio derecognised from Company financial assets were:	31.12.2021. BYN	31.12.2020. BYN
Loan receivable	200 776	157 098
TOTAL:	**200 776**	**157 098**

24. Other loans and receivables

	Interest rate per annum (%)	*Maturity*	31.12.2021. BYN	31.12.2020. BYN
Deposit in bank Reshenie	7,5000%	"on demand"	500 000	710 000
Deposit in bank BSB Bank	6,2500%	"on demand"	300 000	-
Guarantee deposit in bank Reshenie	0,00001%	20.09.2022	3 230 991	-
		TOTAL:	**4 030 991**	**710 000**

25. Non-current assets held for sale

Other non-current assets held for sale, net	31.12.2021. BYN	31.12.2020. BYN
Repossessed collateral	865 936	2 346 792
Impairment allowance	(369 878)	(1 192 754)
	496 058	**1 154 038**

26. Provisions for financial guarantees

Changes in other reserves	31.12.2021. BYN	31.12.2020. BYN
Residue at the beginning of the year	(1 784 563)	(1 767 107)
Fair value of new guarantees issued (1)	(1 017 591)	-
Derecognition of warranties (2)	1 737 246	-
Decrease in fair value of guarantees due to revaluation	242 370	(17 457)
Residue at the end of the year	**(822 538)**	**(1 784 563)**

Changes in provisions	31.12.2021. BYN	31.12.2021. BYN
Provisions at the beginning of the year	825 804	1 682 321
Fair value of new guarantees issued (1)	1 017 591	-
Decrease in fair value of guarantees due to revaluation	(255 313)	(104 644)
Amortised to income before derecognition	(426 195)	(751 873)
Derecognition of warranties (2)	(373 981)	-
Increase	-	-
Provisions at the end of the year	**787 906**	**825 804**
	-	
Financial guarantee in favour of the bondholders of Mogo Finance S.A.	787 906	825 804
Total recognised in other operating income (Note 9)	(34 634)	(958 761)

"On 9 July 2018 the Company entered a financial guarantee agreement issued in favor of bondholders of Mogo Finance S.A (current company name is Eleving Group S.A). The guarantee was issued to secure Mogo Finance S.A. exposure after issuing corporate bonds, ISIN XS1831877755 (as of 31 December 2020 and 2019 the total nominal value of bonds is EUR 100 million), which are listed on the Open Market of the Frankfurt Stock Exchange. Under the guarantee agreement the Company irrevocably guarantees the payment of Mogo Finance S.A. liabilities towards its bondholders in case of default of Mogo Finance S.A. under the provisions of bond prospectus. 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 (Note 9) on straight line basis till bond maturity, which is July 2022.
On 12 October 2021 Global release agreement was signed stipulating that all collateral documents (guarantees and pledges) of the old bonds would be terminated in full after the redemption of the old bonds. Under that agreement, the guarantee was terminated and associated balances were derecognized."

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 group 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 (Note 12) on straight line basis. Under the guarantee agreement the Company amongst other material group entities, irrevocably guarantees the payment of Eleving Group S.A liabilities towards its bondholders in case of default of Eleving Group S.A 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.

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

	31.12.2021. BYN	31.12.2020. BYN
Receivables from Rokit lizing BY IC	616	
Receivables from Avtotrade BY IC	176	
	792	-

28. Prepaid expense

	31.12.2021. BYN	31.12.2020. BYN
Other non-current assets held for sale, net		
Other prepaid expenses	100 592	63 445
	100 592	**63 445**

29. Share capital

The share capital of the Company on December 31, 2021 is BYN 125000

	31.12.2021. Share in capital %	31.12.2021. BYN	31.12.2020. Share in capital %	31.12.2020. BYN
Eleving Stella AS	100%	125 000	100%	125 000
TOTAL:	100%	125 000,00	100%	125 000,00

Distribuire dividende

Dividends have been distributed for the period 2019 to 2021 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
Total		**590 291**

30. Other receivables

	31.12.2021. BYN	31.12.2020. BYN
Receivable for attracted funding through P2P platform	-	189 416
Receivable for attracted funding through tokens	126	
Overpaid VAT	123 117	152 994
Impairment allowance for overpaid VAT	-	-
Net overpaid VAT	123 243	152 994
Receivables for payments received from customers through online payment systems	106 833	94 261
Advances to employees	9	-
Other debtors	69 907	15 920
CIT paid in advance	-	272 210
Real estate tax paid in advance	1 488	
TOTAL:	**301 480**	**724 801**

31. Borrowings

For the year 2021, financing has been raised to develop leasing activities:
- Bank Reshenie CJSC- to finance leasing agreements
- Elleving Group
- Mintos - to finance leasing agreements
- Tokens - to finance current, financial and investment activities of the Company.

According to the loan agreement the following items are pledged as collateral
- with Bank Reshenie CJSC - proprietary rights to lease payments under loan agreements #101-2/21 dated 21.09.2021 and #100-2/21 dated 21.09.2021;
- from Reshenie Bank CJSC - cash guarantee deposit in the amount of USD 1,268 under loan agreement No.103-1/2021 dated 21.09.2021.

In 2021 there were 4 token issues, which are non-listed:
- 1 issue (MOGO USD_161) - 6,000 tokens at US$50 each.
- 2 issue (MOGO USD_168) - 6000 tokens at $50 USD per 1pc.
- 3 issue (MOGO USD_184) - 6000 tokens of 50 USD for 1 piece
- Issue 4 (MOGO USD_219) - 858 tokens at $50 USD for 1 piece
- The purpose of the 4 token issues is to finance the Company's current, financial and investment activities.

There were no delays in repayment of loans, borrowings and interest accrued thereon.

In 2021, a loan was received from a related party Ellewing Group. In 2021 received 7120 Belorussian Roubles, repaid - 12655 Belorussian Roubles. The debt balance as of 31.12.2021 amounted to BYR 16860 thousand. Accrued interest for 2021 in the amount of 3031 thousand Belarusian roubles. The tax on income of foreign persons in the amount of 10% was withheld in full from the accrued interest.

The income tax at the rate of 10% was withheld in full from the income of a foreign legal entity.

Non-current

		Interest rate per annum (%)	Maturity		31.12.2021. BYN	31.12.2020. BYN
Loans from related parties						
Loan from related parties	*Rockit Leasing LLC*	0,00%	21.06.2026		123000	
Loan from related parties	Eleving Group S.A.	14,50%	19.03.2023		16 860 327	22 394 592
				TOTAL:	**16 983 327**	**22 394 592**
Bonds						
Bonds nominal value					-	-
Bonds nominal value					-	-
Bond additional interest accural					-	-
Bonds acquisition costs					-	-
				TOTAL:	**-**	**-**
Other borrowings						
Financing received from P2P investors	Mintos Estonia				20 583 920	21 457 300
Loans from Banks	Bank Reshenie	11-26 %			2 548 100	-
Liabilities for rights-of-use assets	IFRS16				490 649	668 965
Financing acquisition costs					-	-
				TOTAL:	**23 622 669**	**22 126 265**
				TOTAL NON CURRENT BORROWINGS:	**40 605 996**	**44 520 857**

Current

Other borrowings		*Interest rate per annum (%)*	*Maturity*		31.12.2021. BYN	31.12.2020. BYN
Financing received from P2P investors	Mintos Estonia		06.09.2024		8 249 192	7 221 368
Loans from Banks	Bank Reshenie				3 034 620	2 578 900
Liabilities for rights-of-use assets	IFRS16	19%	17.01.2023		399 574	308 956
Long term loan from non-related parties*					-	-
Loan acquisition costs					-	-
Accrued interest for bonds					-	-
Accrued interest for loans from non related parties					-	-
Accrued interest for loans from related parties	Mogo Finance S.A.				184 766	254 243
Accrued interest for financing received from P2P investors	Mintos Estonia	10%			87 036	101 583
Accrued interest for loan form bank	Bank Reshenie				59 930	21 492
Short term tokens BY					2 402 603	
Accrued interest for loans from Tokens	Finstore				20 179	
				TOTAL:	**14 437 900**	**10 486 542**

32. Payables to related parties

	31.12.2021.	31.12.2020.
	BYN	BYN
Eleving Stella, AS	-	486
	-	**486**

33. Taxes payable

	31.12.2021.	31.12.2020.
	BYN	BYN
Personal income tax liabilities	21 075	13 752
Social tax liabilities	76 046	47 841
Other taxes and duties	782 607	412 834
	879 728	**474 427**

34. Other liabilities

	31.12.2021.	31.12.2020.
	BYN	BYN
Liabilities against employees	145 268	90 754
Receivable for attracted funding through P2P platform	314 468	-
Non refundable VAT	244 378	272 677
Other liabilities	-	-
Distributed, not paid dividends	3 847 905	-
	4 552 019	**363 431**

35. Accrued liabilities

	31.12.2021.	31.12.2020.
	BYN	BYN
Accruals for vacation reserves	164 298	109 846
Accrued liabilities against employees	40 056	-
Accrued liabilities against related parties	-	-
Other accrued liabilities for received services	257 837	373 328
	462 191	**483 174**

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; or
- 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.

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

Transactions with related parties for years 2021 and 2020 were as follows:	31.12.2021.	31.12.2020.
	BYN	BYN
Services received	**2 273 018**	**2 067 924**
- Eleving Stella, AS management services	2 183 015	2 067 924
Assets & Licenses	**90 003**	-
- Purchase of hardware and Licenses ELEVING VEHICLE FINANCE, AS	59 012	-
Licenses agreement №4-01/11/2021 om 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	-

Payables to related parties

	BYN	BYN
Eleving Stella, AS	-	486
	-	486

19.03.2018 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%.

		31.12.2021.	31.12.2020.
Interest expenses (Note 8)	**TOTAL:**	**3 053 234**	**3 474 047**
- Eleving Group S.A.		3 053 234	3 474 047

Borrowings

Non-current	Interest rate per annum	Maturity	31.12.2021. BYN	31.12.2020. BYN
Loan from Eleving Group S.A..	14,5%	19.03.2023	16 860 327	22 394 592
Loan from Rokit lizing BY	0%		123 000	
Current				
Accrued interest Eleving Group S.A..			184 766	254 243
	TOTAL:		**17 168 093**	**22 648 835**

Trade receivables from related parties

Current		31.12.2021. BYN	31.12.2020. BYN
Receivables from Rokit lizing BY IC		616	
Receivables from Avtotrade BY IC		176	
	TOTAL:	**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/governance "

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	31.12.2021. BYN	31.12.2020. BYN
Investments in MOGO Autotrade LLC	100,00%	5 000	-
	TOTAL:	**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

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.

38.2. 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.

38.3. 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

	31.01.2021 BYN	31.01.2020 BYN
Cash	715 736	55 710
Loans and advances to customers	17 985 455	14 775 617
Finance lease receivables	37 482 236	33 641 740
Other financial assets	301 480	724 801
Total	**56 484 907**	**49 197 868**

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.

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 group 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	**1 825 486**	**190 807**	**473 918**	**2 490 210**

Loans and advances to customers 2020				
Loans and advances to customers	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 12 months 2020	3 232 171	222 708	173 096	**3 627 975**
Transfer to Stage 1	65 805	(33 492)	(32 313)	-
Transfer to Stage 2	(223 382)	223 382	-	-
Transfer to Stage 3	(610 526)	(134 682)	745 208	-
New financial assets acquired	1 247 736	171 168	62 306	**1 481 210**
Receivables settled	(697 411)	-	(15 210)	**(712 621)**
Receivables written off				-
Receivables partially settled	(202 204)	(45 561)	(308 005)	**(555 770)**
Foreign exchange movements				-
Balance at 31 December 12 months 2020	**2 812 188**	**403 524**	**625 082**	**3 840 794**

38.3. Credit Risk (continue)

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

Finance lease receivables 2020	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 12 months 2020	26 641 577	648 734	1 053 774	28 344 085
Transfer to Stage 1	68 536	(59 843)	(8 693)	-
Transfer to Stage 2	(1 258 020)	1 258 020	-	-
Transfer to Stage 3	(3 679 257)	(529 832)	4 209 090	-
New financial assets acquired	25 650 859	876 740	2 229 523	28 757 122
Receivables settled	(3 944 900)	-	(51 096)	(3 995 996)
Receivables written off				-
Receivables partially settled	(870 473)	(54 993)	(2 924 971)	(3 850 437)
Foreign exchange movements				-
Balance at 31 December 12 months 2020	42 608 322	2 138 826	4 507 626	49 254 774

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.

38.4. 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.

38.5. 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.

38.6. 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.

Assets and liabilities exposed to foreign currencies fluctuation risk as at: 31.12.2021

Currency	**Assets in BYN**		**Equity and liabilities in BYN**	**Net assets exposed to currency risk in BYN**
BYN (Belarus)	62 490 484	-	62 050 491	439 993

Assets and liabilities exposed to foreign currencies fluctuation risk as at: 31.12.2020

Currency	Assets in BYN		Equity and liabilities in BYN	Net assets exposed to currency risk in BYN
BYN (Belarus)	52 959 600	-	48 064 424	4 895 176

38.7. 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.

		Contractual cash flows				
	Carrying value	On demand	Up to 1 year	1-5 years	More than 5 years	Total
As at 31.12.2021.	**BYN**	**BYN**	**BYN**	**BYN**	**BYN**	**BYN**
Assets						
Cash in bank	715 736	715 736				715 736
Loans and advances to customers	2 034 055		2 098 358	1 895 939	9 272	4 003 569
Loans to related parties (do not include loans to mogo group companies)	-					-
Loans to related parties (loans to mogo group companies)	-					
Loans to non-related parties	-					-
Trade receivables	792					-
Other non-current financial assets	-					-
Other loans and receivables	4 030 991	800 000	3 230 991			4 030 991
Other short term receivables from related parties (do not include receivables from mogo group companies)	-					-
Other short term receivables from related parties (only I/C receivables from mogo group						
Finance lease receivables	53 433 636		40 885 991	60 476 244	1 368 761	102 730 996
Total undiscounted financial assets	60 215 210	1 515 736	46 215 340	62 372 183	1 378 033	111 481 292
Liabilities						
Borrowings (do not include I/C borrowings)	(37 875 803)		(16 735 151)	(26 229 189)	(19 261)	(42 983 601)
Borrowings (only I/C borrowings)	(17 168 093)					
Other liabilities (do not include I/C liabilities)			(4 426 525)	(23 220)		(4 449 745)
Other liabilities (only I/C liabilities)	(167 628)					
Total undiscounted financial liabilities	(55 211 524)	-	(21 161 676)	(26 252 409)	(19 261)	(47 433 346)
Net undiscounted financial assets / (liabilities)	5 003 686	1 515 736	25 053 664	36 119 774	1 358 772	64 047 946

38. Financial risk management 37.7. Liquidity risk(continued)

	Carrying value	Contractual cash flows				
		On demand	Up to 1 year	1-5 years	More than 5 years	Total
As at 31.12.2020.	BYN	BYN	BYN	BYN	BYN	BYN
Assets						
Cash in bank	55 710	55 710				55 710
Loans and advances to customers	3 310 199		3 088 872	3 415 623	82 898	6 587 393
Loans to related parties (do not include loans to mogo group companies)	-					-
Loans to related parties (loans to mogo group companies)	-					
Other non-current financial assets	-					-
Loans to non-related parties	-					-
Trade receivables	-					-
Other loans and receivables	710 000	-	710 000			710 000
Other short term receivables from related parties (do not include receivables from mogo group companies)	-					-
Other short term receivables from related parties (only I/C receivables from mogo group						
Finance lease receivables	45 107 158		33 848 464	55 244 675	1 474 993	90 568 132
Total undiscounted financial assets	49 183 067	55 710	37 647 336	58 660 298	1 557 891	97 921 235
Liabilities						
Borrowings (do not include I/C borrowings)	(32 358 564)		(11 548 917)	(23 745 185)	(25 525)	(35 319 627)
Borrowings (only I/C borrowings)	(22 648 835)					
Other liabilities (do not include I/C liabilities)	(861 622)		(861 622)			(861 622)
Other liabilities (only I/C liabilities)	(259 631)					
Total undiscounted financial liabilities	(56 128 652)	-	(12 410 539)	(23 745 185)	(25 525)	(36 181 249)
Net undiscounted financial assets / (liabilities)	(6 945 585)	55 710	25 236 797	34 915 113	1 532 366	61 739 986

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 adjusied 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 31.12.2021. BYN	Fair value 31.12.2021. BYN	Carrying value 31.12.2020. BYN	Fair value 31.12.2020. BYN
Assets for which fair value is disclosed				
Loans to related parties (do not include loans to mogo group companies)	-		-	
Finance lease receivables*	53 433 636	69 842 344	45 107 158	64 764 987
Loans and advances to customers*	2 034 055	2 634 846	3 310 199	4 228 083
Other non-current financial assets	-		-	
Loans to non-related parties	-		-	
	4 030 991	4 030 991	710 000	710 000
Other loans and receivables				
Other short term receivables from related parties (do not include receivables from mogo group companies)	-		-	
Cash and cash equivalents	715 736	715 736	55 710	55 710
Total assets for which fair value is disclosed	**60 214 418**	**77 223 917**	**49 183 067**	**69 758 780**
Liabilities for which fair value is disclosed				
Borrowings				
Loan from related parties (do not include loans from mogo group companies)	-	-	(5 194 217)	(5 194 217)
Mogo Finance S.A. bonds		-		-
Mogo AS bonds		-		-
Lease liabilities for right-of-use assets	(890 222)	(890 222)	(962 996)	(962 996)
Long term loan from banks	(2 548 100)	(2 548 100)	2 578 900	2 578 900
Financing received from P2P investors	(28 920 148)	(28 920 148)	(28 780 251)	(28 780 251)
Other borrowings		-		-
Short term loan from banks	(3 094 550)	(3 094 550)		
Tokens	(2 422 782)	(2 422 782)		-
		-		-
Trade payables	(95 292)	(95 292)	(67 751)	(67 751)
Other liabilities	(37 780 511)	(37 780 511)	(793 871)	(793 871)
Total liabilities for which fair value is disclosed	**(75 751 605)**	**(75 751 605)**	**(33 220 186)**	**(33 220 186)**
Liabilities measured at fair value				
Other financial liabilities	-		-	
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**(75 751 605)**	**(75 751 605)**	**(33 220 186)**	**(33 220 186)**

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

Assets for which fair value is disclosed	Level 1 31.12.2021. BYN	Level 2 31.12.2021. BYN	Level 3 31.12.2021. BYN	Level 1 31.12.2020. BYN	Level 2 31.12.2020. BYN	Level 3 31.12.2020. BYN
Loans to related parties (do not include loans to mogo group companies)	-	-	-	-	-	-
Finance lease receivables	-	-	69 842 344	-	-	64 764 987
Loans and advances to customers	-	-	2 634 846	-	-	4 228 083
Loans to non-related parties	-	-	-	-	-	-
	-	-	4 030 991	-	-	710 000
Other loans and receivables						
Other short term receivables from related parties (do not include receivables from mogo	-	-	-	-	-	-
Cash and cash equivalents	715 736	-	-	55 710	-	55 710
Total assets for which fair value is disclosed	**715 736**	**-**	**76 508 181**	**55 710**	**-**	**69 758 780**
Liabilities for which fair value is disclosed						
Borrowings						
Loan from related parties (do not include loans from mogo group companies)	-	-	-	-	-	(5 194 217)
Mogo Finance S.A. bonds	-	-	-	-	-	-
Mogo AS bonds	-	-	-	-	-	-
Lease liabilities for right-of-use assets	-	-	(890 222)	-	-	(962 996)
Long term loan from banks	-	-	(2 548 100)	-	-	2 578 900
Financing received from P2P investors	-	-	(28 920 148)	-	-	(28 780 251)
Other borrowings	-	-	-	-	-	-
Trade payables	-	-	(95 292)	-	-	(67 751)
Other liabilities	-	-	(37 780 511)	-	-	(793 871)
Total liabilities for which fair value is disclosed	**-**	**-**	**(70 234 273)**	**-**	**-**	**(33 220 186)**
Liabilities measured at fair value						
Other financial liabilities	-	-	-	-	-	-
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**-**	**-**	**(70 234 273)**	**-**	**-**	**(33 220 186)**

33.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.

FBK-BEL LLC

Our. ref. No. 05-01/43 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 2021, the separate statement of financial position as at 31 December 2021, 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 2021, 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.

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