

Prospectus dated 20 September 2024



Eleving Group

Luxembourg

Prospectus

for the public offering of up to 24,500,000 shares

and

admission to trading of up to 118,550,000 shares

International Securities Identification Number (ISIN): LU2818110020

Common Code: 281811002

Offer Price Range: EUR 1.60 – EUR 1.85

This is the prospectus (the "**Prospectus**") of Eleving Group (the "**Issuer**"), a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.174457 for the (a) offering (including by way of public offering to investors in Latvia, Estonia, Lithuania and Germany) of (i) up to 16,900,000 newly issued ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, from a capital increase against contribution in cash to be resolved by the Issuer (the "**Base Shares**"), (ii) up to 6,000,000 existing ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, from the holdings of all shareholders of the Issuer, pro rata to their shareholding interest in the Issuer, at the date of this Prospectus (together referred to as the "**Selling Shareholders**"), subject to the exercise of an upsize option, upon a decision of the Selling Shareholders to be taken on or around the date of the determination of the Offer Price (the "**Upsize Option**") (the "**Upsize Shares**"). The Offering may be increased by up to 1,600,000 ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, to cover a potential over-allotment (the "**Over-Allotment Option**", from a capital increase against contribution in cash to be resolved by the Issuer (the "**Over-Allotment Shares**", and together with the Base Shares and the Upsize Shares, the "**Offer Shares**") and (b) listing and admission to trading of all the Shares of the Issuer, on the Nasdaq Riga's regulated market (Baltic Main List) and the Frankfurt Stock Exchange's regulated market (Prime Standard). Therefore, in the course of the Offering, up to 24,500,000 Offer Shares are being offered.

In order to simplify and expedite the settlement of the Offering, the Lead Manager will be provided with the Offer Shares which will consist of existing ordinary shares in dematerialized form, borrowed in the form of a securities loan by the Lead Manager from the holdings of AS "ALPPES Capital", a joint stock company incorporated under the laws of Latvia, having its registered office at 12 Juras Street, Liepaja, LV-3401, Latvia and registered with the Register of Enterprises of Latvia under number 52103097551 (the "**Lending Shareholder**"), under the terms of a share lending agreement (the "**Share Lending Agreement**"), as further described in section XX (*Terms and Conditions of the Offering*).

The net proceeds of the Offering (excluding the Stabilisation Proceeds and the proceeds from the sale of the Upsize Shares, if any) will be used by the Issuer to increase its existing share capital and issue up to 18,500,000 new ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, such new shares will be issued as a whole at once or by successive issue of portions (the "**New Shares**" and together with the Offer Shares, the "**Shares**") to the Lead Manager. Such New Shares will be delivered by the Lead Manager to the Lending Shareholder in order to discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Offer Shares. Subject to the exercise of the Upsize Option, the Lending Shareholder will acquire the necessary amount of shares equivalent to the Upsize Shares from the other Selling Shareholders (excluding the Lending Shareholder) at the final Offer Price and pay the proceeds from the sale of the Upsize Shares (if any) in the Offering attributed to it by the Lead Manager, to such other Selling Shareholders (excluding the Lending Shareholder), pro rata to their sold shareholding interest in the Issuer. The Selling Shareholders will ultimately receive the proceeds from the sale of the Upsize Shares (if any) in the Offering (after deduction of fees and commissions).

The Offer Shares will be in the form of dematerialized shares and will be registered in a single securities issuance account (*compte d'émission*) maintained by Nasdaq CSD SE ("**Nasdaq CSD**") as single settlement organization in accordance with the Luxembourg law of 6 April 2013 on dematerialized securities as amended ("**Luxembourg Law on Dematerialized Securities**"). Delivery of the Offer Shares is expected to take place on or about 14 October 2024 through the book-entry facilities of Nasdaq CSD against payment for the Offer Shares in immediately available funds.

In connection with the Offering, the Issuer and the Lending Shareholder have agreed that Signet Bank AS, as stabilizing manager (the "**Stabilizing Manager**"), in accordance with a stabilization strategy prepared by such Stabilizing Manager, will have the rights, if deemed necessary and in accordance with such stabilization strategy to instruct AS LHV Pank as stabilizing agent (the "**Stabilizing Agent**" to acquire Shares by using retained proceeds from the sale of the Over-Allotment Shares (the "**Stabilization Proceeds**"), in order to stabilize the stock market price of the Shares at a level higher than that which would otherwise prevail (as further described in Sub-section 13 "*Stabilization Measures, Over-Allotments*" of Section XX (*Terms and Conditions of the Offering*) of this Prospectus). The acquisition of the Shares through stabilization transactions will be made subject to applicable law. The stabilizing transactions to purchase the Shares may be effected at any time on or before the 30th calendar day after the commencement of trading in the Shares on Nasdaq Riga's regulated market (Baltic Main List) and Frankfurt Stock Exchange's regulated market (Prime Standard) (the "**Stabilization Period**"). Such stabilisation measures may only be taken on the Nasdaq Riga's regulated market (Baltic Main List) during the Stabilization Period. The stabilizing transactions to purchase the Shares may only be effected at a price not exceeding the Offer Price. The Stabilizing Manager will not, however, be required to instruct the Stabilizing Agent to carry out any stabilization actions. If the Stabilizing Manager has instructed the Stabilizing Agent to carry out any such actions, they may be discontinued at any time without prior notice. No assurance can be given that such stabilization actions, if taken, will bring the expected results.

At the end of the Stabilization Period, the Stabilizing Manager will instruct the Stabilizing Agent to return (i) any Shares it acquired during the Stabilization Period to the Lending Shareholder in order to partly discharge its obligation under the Share Lending Agreement to deliver the borrowed Over-Allotment Shares, and (ii) any remaining Stabilization Proceeds which were not used for stabilization activities to the Issuer (net of respective costs). Such proceeds will be used by the Issuer to increase its share capital and issue the respective amount of Shares to the Stabilizing Agent. When such Shares have been issued, the Stabilizing Agent will deliver the Shares to the Lending Shareholder in order to fully discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Over-Allotment Shares.

This document (the "**Prospectus**") constitutes a prospectus pursuant to Article 6 para. 1 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**"), in connection with the public offering of the Offer Shares and listing and admission to trading of all the Shares of the Issuer, including the New Shares following a capital increase of the Issuer to be implemented on or about 14 October 2024 and the Offer Shares, on Nasdaq Riga's regulated market (Baltic Main List) and Frankfurt Stock Exchange's regulated market (Prime Standard), pursuant to Directive 2014/65/EU (as amended, "**MiFID II**"). References in this Prospectus to a "**Regulated Market**" shall mean any regulated market as defined in MiFID II.

This Prospectus has been approved by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier – "**CSSF**") for the purposes of the public offering of the Offer Shares and the admission of the Shares to trading on the Nasdaq Riga's regulated market (Baltic Main List) and the regulated market Frankfurt Stock Exchange's regulated market (Prime Standard); the CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; such approval should not be considered as an endorsement of the Issuer or the quality of the Shares (including the Offer Shares), that are subject to this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. The CSSF has not reviewed or approved any information in relation to the Institutional Offering (as defined below).

Pursuant to Article 6 para. 4 of the Luxembourg Law of 16 July 2019 on prospectuses for securities (the "**Prospectus Law**"), by approving the Prospectus, the CSSF does not take any responsibility for the economic or financial soundness of the transaction and the Issuer's quality and financial solvency.

The Offer Shares shall be offered by way of a) an offer to the public of ordinary shares to retail investors in Latvia, Estonia, Lithuania, and Germany (the "**Retail Offering**"); and b) a private placement to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in certain selected member states of the European Economic Area and to other selected investors in reliance on certain exemptions available under the laws of respective member states (the "**Institutional Offering**", together with the Retail Offering, the "**Offering**"). The price range within which purchase orders may be placed is from EUR 1.60 to EUR 1.85 per Offer Share (the "**Offer Price Range**") and the period during which the Offer Shares may be subscribed for through starts on 23 September 2024 at 10:00 a.m. CEST / 11:00 am EEST and ends on 8 October 2024 at 2:30 p.m. CEST / 3:30 p.m. EEST (the "**Offer Period**"). The Issuer reserves the right to cancel the Retail Offering or change the terms and conditions thereof as described in this Prospectus.

Application has been made for the notification of the approval by the CSSF of this Prospectus to the competent authorities in Estonia, Latvia, Lithuania, and Germany, i.e. to the Estonian Financial Supervisory Authority

(Finantsinspektsioon), to Bank of Latvia (Latvijas Banka), to the Bank of Lithuania (Lietuvos Bankas) and to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) in accordance with Article 25 of the Prospectus Regulation. The approved Prospectus may be downloaded from the Issuer's website (<https://eleving.com/investors/>) and the website of the Luxembourg stock exchange (www.luxse.com). Application has been made to the Nasdaq Riga and the Frankfurt Stock Exchange for the Shares to be listed and admitted to trading on the Regulated Market of the Nasdaq Riga (Baltic Main List) and the Frankfurt Stock Exchange (Prime Standard).

This Prospectus shall be valid for admission to trading of the Shares on a Regulated Market for 12 months after the approval by the CSSF, i.e. until 20 September 2025, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including incorporated by reference) in this Prospectus which may affect the assessment of the Shares. After such date, the Prospectus will expire and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

On 7 June 2024, Fitch Ratings – a branch of Fitch Ratings Ireland Limited (“Fitch”) affirmed the Issuer's Long-Term Issuer Default Rating (IDR) at 'B', with a Stable Outlook and a Short-Term Issuer Default Rating of 'B'. Fitch has also affirmed the Issuer's senior secured debt rating at 'B' with a Recovery Rating of 'RR4'. Credit ratings included or referred to in this Prospectus have been issued by Fitch which is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the “CRA Regulation”). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “ESMA”) on its website (europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Investors should be aware, that an investment in the Shares involves a risk and that, if certain risks, in particular those described under “Risk Factors”, occur, the investors may lose all or a very substantial part of their investment.

The distribution of this Prospectus may be limited by certain legislation. Any person who enters into possession of this Prospectus must take these limitations into consideration. The Shares are not and will not be registered, particularly in accordance with the United States Securities Act of 1933, as amended (the “Securities Act”) or in accordance with securities law of individual states of the United States of America. Furthermore, they are not permitted to be offered or sold within the United States of America, or for the account or benefit of a person from the United States of America (as defined under Regulation S under the Securities Act), unless this ensues through an exemption of the registration requirements of the Securities Act or the laws of individual states of the United States of America or through a transaction, which is not subject to the aforementioned provisions.

LEAD MANAGER AND BOOKRUNNER



AS LHV Pank

JOINT BOOKRUNNERS



Signet Bank AS



M.M. Warburg & Co (AG & Co.)
KGaA



Auerbach & Grayson Co LLC

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I. SUMMARY OF THE PROSPECTUS

Section 1 – Introduction and Warnings

Introduction

The securities

Ordinary shares in dematerialised form of Eleving Group (the “**Issuer**”) with ISIN LU2818110020.

The issuer

The Issuer is Eleving Group, a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 26 18 61 and its fax number is +352 26 84 54 10. The Issuer’s legal identifier (LEI) is 894500N14T2GUDX0FL66.

Competent authority approving the Prospectus and date of approval

This Prospectus has been approved on 20 September 2024 by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier – “CSSF”*), with address at 283, route d’Arlon, L-1150 Luxembourg, Grand Duchy of Luxembourg. Its telephone number is +352 26 25 1 – 1 (switchboard) and its email is direction@cssf.lu. References in this Prospectus to a “**Regulated Market**” shall mean any regulated market as defined in Directive 2014/65/EU.

Warnings

This summary should be read as an introduction to the Prospectus.

Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor.

The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section 2 – The Issuer

Who is the issuer of the securities?

Domicile, legal form, LEI, relevant jurisdiction

Eleving Group, a public limited liability company (*société anonyme*) incorporated and operating under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.174457 and having its registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg is the Issuer. Its telephone number is +352 26 18 61 and its fax number is +352 26 84 54 10. The Issuer’s legal identifier (LEI) is 894500N14T2GUDX0FL66. As at the date of this Prospectus, the parent company of the Group (as defined below) is the Issuer.

Principal activities

The Issuer is the holding company of group companies (the “**Group**”) specialized in providing vehicle and consumer financing services. The Group is comprised of a number of fast-growing financial technology companies operating in Europe, Africa and Central Asia.

The principal business of the Group is divided into two business lines: (i) Eleving Vehicle Finance and (ii) Eleving Consumer Finance. Eleving Vehicle Finance provides financing products in 10 countries through a wide range of sales channels: an online platform managed by Eleving, third party online car sales portals, physical branches and physical used car dealers. Eleving Vehicle Finance fills a funding gap, providing innovative financial solutions across the globe, which contribute to the empowerment of diverse communities, including local entrepreneurs. Eleving Consumer Finance, with more than 180 branches across Moldova, North Macedonia, Albania, Botswana, Namibia, Zambia, and Lesotho, offers flexible financial products, from credit lines to installment loans, with a focus on providing access to substantial amounts of money to customers that meet the Group's credit assessment benchmarks.

Major shareholders

The following table sets out the relevant shareholding of the Issuer as at the date of this Prospectus:

	Details of the holder entity	Number of shares	%	Beneficial owner
1	AS "ALPPES Capital"	43,691,654	43.67%	Aigars Kesenfelds
2	AS Novo Holdings	14,563,759	14.56%	Alberts Pole
3	AS Obelo Capital	14,563,960	14.56%	Māris Keišs
4	SIA EMK Ventures	14,563,960	14.56%	Kristaps Ozols
5	Modestas Sudnius	3,000,000	3.00%	Modestas Sudnius
6	SIA Mabo Capital	2,500,000	2.50%	Mārcis Grīnis
7	SIA fianchetto	2,500,000	2.50%	Jēkabs Endziņš
8	SIA BCAP Holding	2,000,000	2.00%	Mārtiņš Baumanis
9	SIA MCAP	1,500,000	1.50%	Māris Kreics
10	Igors Lavrinovičš	500,000	0.50%	Igors Lavrinovičš
11	Jūlija Lebedinska - Ļitvinova	416,667	0.42%	Jūlija Lebedinska - Ļitvinova
12	SIA TP Legal Services	250,000	0.25%	Toms Puriņš
	Sum	100,050,000	100%	

Key managing directors and members of the supervisory board

The Issuer is currently managed by (i) a management board (the "**Management Board**") composed of two category A members of the Management Board and two category B members of the Management Board: Modestas Sudnius, acting as category A member of the Management Board, Maris Kreics, acting as category A member of the Management Board, Delphine Glessinger, acting as category B member of the Management Board and Sébastien Jean-Jacques François, acting as category B member of the Management Board, all appointed for a period ending until the annual general meeting of the shareholders of the Issuer to be held in 2029 and (ii) a supervisory board (the "**Supervisory Board**"), composed of Mārcis Grīnis, acting as chairman, Lev Dolgatšjov and Derek Bryce Urban, acting as members, all appointed for a period ending until the annual general meeting of the shareholders of the Issuer to be held in 2029.

Statutory auditor

The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the financial years ended 31 December 2023 and 31 December 2022 is BDO Audit (*société anonyme*), incorporated under the laws of Luxembourg, having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B.147570. The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the

financial year ended 31 December 2021 is KPMG Luxembourg (*société coopérative*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.149133.

What is the key financial information regarding the Issuer?

The tables below present the key selected consolidated financial information for the Issuer as at and for (i) the financial years ended 31 December 2023, 31 December 2022 (as restated in the financial statements for the financial years ended 31 December 2023) and 31 December 2021 derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2023 and as at and for the financial year ended 31 December 2022 (including restated comparative financial information for the financial year ended 31 December 2021) prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and (ii) the six-month periods ended 30 June 2024 and 30 June 2023 derived from the unaudited consolidated interim financial statements as at and for the six-month period ended 30 June 2024 prepared in accordance with Interim Financial Reporting (IAS 34).

Selected consolidated statement of comprehensive income data of the Issuer (in Million EUR)

EUR	01.01.2023- 31.12.2023 (audited)	01.01.2022- 31.12.2022 (audited)	01.01.2021- 31.12.2021 (audited)	01.01.2024- 30.06.2024 (unaudited)	01.01.2023- 30.06.2023 (unaudited)
Interest revenue	176.3	162.5	132.3	95.1	78.5
Fee and commission income related to finance lease activities	9.0	7.7	7.1	5.1	3.7
Revenue from leases	4.1	5.4	6.5	1.8	2.2
Total comprehensive income for the year/period	19.9	23.5	9.7	17.3	9.8
Profit attributable to equity holders of the parent company	20.1	15.3	2.1	12.1	9.8

Selected consolidated statement of financial position data of the Issuer (in Million EUR, except percentages)

EUR	01.01.2023- 31.12.2023 (audited)	01.01.2022- 31.12.2022 (audited)	01.01.2021- 31.12.2021 (audited)	01.01.2024- 30.06.2024 (unaudited)	01.01.2023- 30.06.2023 (unaudited)
Total assets	421.3	361.1	322.1	436.1	378.7
Total equity	65.4	54.1	31.4	75.0	58.7
Total liabilities	355.9	307.0	290.7	361.1	320.0
Total equity and liabilities	421.3	361.1	322.1	436.1	378.7
Total equity and	81.9	72.6	48.7	87.4	77.1

subordinated borrowings					
Total equity attributable to equity holders of the parent company	53.6	45.2	24.3	60.0	47.6

Selected consolidated statement of cash flows data of the Issuer (in Million EUR)

EUR	01.01.2023-31.12.2023 (audited)	01.01.2022-31.12.2022 (audited)	01.01.2021-31.12.2021 (audited)	01.01.2024-30.06.2024 (unaudited)	01.01.2023-30.06.2023 (unaudited)
Net cash flows to/from operating activities	17.2	(0.6)	(27.7)	23.4	9.1
Net cash flows to/from financing activities	(3.2)	9.1	18.1	(19.3)	0.2
Net cash flows to/from investing activities	(0.2)	(4.9)	10.5	(4.0)	(5.3)

What are the key risks that are specific to the Issuer?

a. Risk relating to the Group's business activities and industry

Risk of tax positions: The preparation of our consolidated financial statements under IFRS and certain tax positions taken by us require the judgment of management, and we could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting standards, financial reporting requirements or tax rules.

Difficulties in assessing the credit risk of potential customers: Despite the credit scoring as well as vehicle valuation models of the Group, Group companies may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. The Group's financing decisions are based partly on information provided by applicants. Prospective customers may fraudulently provide inaccurate information which, if not detected, may result in inaccurate credit scoring of the Group's customers. Any failure to correctly assess the credit risk of potential customers, due to failure of the Group's customer evaluation or due to incorrect information fraudulently provided by customers, may have a material adverse effect on the Group's business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of the Group's licenses).

Risk of counterparty default: The Group is exposed to the risk that the Group's customers or other contractual counterparties may default or that the credit quality of customers or other contractual counterparties may deteriorate. As a consequence, the Group's operational results could be adversely affected.

Decrease in the residual values or the sales proceeds of returned vehicles: A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of the finance leases and sale and lease back granted by Group companies operating in the vehicle financing business line.

Foreign exchange risks: The Group operates in various jurisdictions and provides loan products in local currencies, including the Euro (“EUR”), the Georgian Lari (“GEL”), the Romanian Leu (“RON”), the Moldavian Leu (“MDL”), the Albanian Lek (“ALL”), the Armenian Dram (“AMD”), the Uzbekistani Som (“UZS”), the Kenyan Shilling (“KES”), the Ugandan Shilling (“UGX”), the North Macedonian Denar (“MKD”), Ukrainian Hryvnia (“UAH”), the Lesotho Loti (“LSL”), the Zambian Kwacha (“ZMW”), the Botswanan Pula (“BWP”), the Namibian Dollar (“NAD”) and loans linked to the United States Dollar (“USD”). Thus, its results of operations are exposed to foreign exchange rate fluctuations and any failure to manage foreign exchange risk may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

b. Risks related to the Group’s financial situation

Changes in the Group’s working capital requirements: The Group’s working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for used car financing and consumer credit. If the Group’s available cash flows from operations are not sufficient to fund on-going cash needs, the Group would be required to look to its cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

Liquidity risks: The Group is exposed to liquidity risks arising out of the mismatches between the maturities of its assets and liabilities, which may prevent it from meeting its obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between its assets and liabilities occur, this may have a material adverse effect on its business, financial condition, results of operations, prospects or cash flows.

c. Legal and regulatory risk

Certain countries where the Group operates pose risks of corruption violations. Failure to comply with anti-corruption laws, including anti-bribery laws, may result in penalties and sanctions, which may have a material adverse effect on the Group’s reputation and business.

Section 3 – The Securities

What are the main features of the securities ?

Type, class and ISIN

Up to 16,900,000 newly issued ordinary shares in dematerialised form with a nominal value of EUR 0.01 each from a capital increase against contribution in cash to be resolved by the Issuer (the “**Base Shares**”), up to 6,000,000 existing ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, from the holdings by all shareholders of the Issuer, pro rata to their shareholding interest in the Issuer, at the date of this Prospectus (together referred to as the “**Selling Shareholders**”), subject to the exercise of an upsize option, upon a decision of the Selling Shareholders to be taken on or around the date of the determination of the Offer Price (the “**Upsize Option**”) (the “**Upsize Shares**”). The Offering may be increased by up to 1,600,000 ordinary shares in dematerialised form with a nominal value of EUR 0.01 each of the Issuer, from a capital increase against contribution in cash to be resolved by the Issuer, to cover a potential over-allotment (the “**Over-Allotment Shares**”, and together with the Base Shares and the Upsize Shares, the “**Offer Shares**”). Therefore, in the course of the Offering up to 24,500,000 Offer Shares are being offered. In order to simplify and expedite the settlement of the Offering, the Offer Shares are existing shares from the holdings of the Lending Shareholder, borrowed by the Lead Manager. After the conclusion of the Offering, the net proceeds of the Offering will be used by the Issuer to increase its existing share capital and issue new ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, to the Lead Manager (the “**New Shares**”, and together with the Offer Shares, the “**Shares**”), which will be delivered to the Lending Shareholder. The International Securities Identification Number (ISIN) of the Offer Shares is ISIN LU2818110020.

The Shares are freely transferable and fungible with each other. No share certificates have been or will be issued.

Number of Shares, denomination, currency and term

As at the date of the Prospectus, the share capital of the Issuer is set at EUR 1,000,500, represented by 100,050,000 ordinary shares in dematerialised form. The nominal (face) par

value of each outstanding Share is EUR 0.01. All of the Shares have been issued and fully paid up. The Shares are denominated in Euro and governed by the laws of the Grand Duchy of Luxembourg and the currency of the Retail Offering, listing and admission to trading will be the Euro. All existing Shares grant equal rights (including one share, one vote) to the shareholders.

Rights attached to the Shares

Each of the Shares of the Issuer shall entitle the shareholder to one vote at the general shareholders' meeting of the Issuer. Each Share of the Issuer confers upon its holder the same rights to a Share of the Issuer's assets and profits.

Status and ranking of the Shares

The Shares are subordinated to all other securities and claims in case of an insolvency of the Issuer. All of the Shares entitle the shareholders to a share of any distributable liquidation proceeds or insolvency surpluses at the ratio of their proportion in the share capital.

Transferability of the Shares

The shares of the Issuer are freely transferable in accordance with the legal requirements for ordinary shares in dematerialised form. There are no restrictions on the transferability of the Issuer's shares other than pursuant to the provision of a lock-up agreement entered into between, among others, the Issuer and the Selling Shareholders and the Lead Manager, as further disclosed in the Prospectus.

Dividend Policy

The first edition of the dividend distribution policy (the "**Dividend Policy**") of the Issuer was ratified on 8 August 2024 by the general meeting of the shareholders of the Issuer. The Dividend Policy is published on the Issuer's website at <https://eleving.com/>. The Dividend Policy comprises a general information section, the principles of dividend distribution, the key considerations relevant to calculating and determining the amount of dividends, the dates and procedures for the payment of dividends and disclosures to be made in connection with the distribution and payment of dividends. The Issuer will periodically review its Dividend Policy and will consider paying dividends if appropriate.

Where will the securities be traded ?

The Shares will be admitted to trading on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard).

What are the key risks that are specific to the securities ?

Market capitalisation Nasdaq Riga risk: The Nasdaq Riga is considerably less liquid and more volatile compared to other established securities markets with a longer history. The fairly small market capitalisation and low liquidity of the Nasdaq Riga may adversely affect shareholders' ability to sell the Shares in substantive amounts. Investors may not be in a position to sell their Shares quickly within or above the Offer Price Range.

Liquid trading market risk: Prior to the Retail Offering, the Shares have not been publicly traded, and there can be no assurance that a liquid trading market for the shares will develop or can be maintained over time. The failure to develop or maintain an active trading may affect the liquidity and trading price of the Shares could be adversely affected.

Share price and share value dilution risk: Future offerings of debt or equity securities by the Issuer may adversely affect the market price of the Issuer's shares and could significantly dilute existing shareholdings in the Issuer. The issuance of additional shares or securities containing a right to convert to common shares may potentially reduce the Issuer's share price through dilution should existing shareholders not participate in such issues to retain existing level of participation in the Issuer. Furthermore, the dilution of an individual shareholder's participation in the Issuer may occur if that shareholder cannot or decides not to subscribe for any subsequently newly-issued shares or convertible securities pro rata to their existing shareholding.

Risks related to the ability to pay dividends: The payment of future dividends will depend, among other things, on the Group's results of operations, financial and investment needs, the availability of distributable reserves and shareholder approval. The Issuer's only business operations

consist of providing financing to the Group companies and to act as holding company of the Group with no business operations other than the equity interests it holds in its subsidiaries. In addition, debt financing arrangements of the Issuer contain and future debt financing arrangements may contain covenants which impose restrictions on the Issuer's business and on the ability by the Issuer to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the ability of the Issuer to pay dividends.

Section 4 – Retail Offering and Admission to Trading

Under which conditions and timetable can I invest in this security ?

Retail Offering

In the course of the Retail Offering, up to 16,900,000 Base Shares, up to 6,000,000 Upsize Shares, (plus up to 1,600,000 additional Over-Allotment Shares that may be allocated pursuant to the Over-Allotment Option), are being offered for subscription and sale.

In order to simplify and expedite the settlement of the Offering, the Issuer will enter into a share lending agreement with AS "ALPPES Capital", a joint stock company incorporated under the laws of Latvia, having its registered office at 12 Juras Street, Liepaja, LV-3401, Latvia and registered with the Register of Enterprises of Latvia under number 52103097551 (the "**Lending Shareholder**") and the Lead Manager on or about 20 September 2024 (the "**Share Lending Agreement**"). In accordance with provisions of the Share Lending Agreement, the Lead Manager will borrow the necessary number of Offer Shares from the Lending Shareholder and will allocate these existing Shares to investors in accordance with the allocation rules described in the terms and conditions of the Offering.

The net proceeds of the Offering (excluding the Stabilization Proceeds and the proceeds from the sale of the Upsize Shares, if any) will then be passed to the Issuer and used by the Issuer to increase its existing share capital and issue up to 18,500,000 new ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, to the Lead Manager (the "**New Shares**", together with the Offer Shares the "**Shares**"). When such New Shares have been issued, which will be fungible with the Offer Shares, the Lead Manager will deliver the New Shares to the Lending Shareholder in order to discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Offer Shares.

The Retail Offering consists of an initial public offering in Latvia, Estonia, Lithuania, and Germany. In addition, the Issuer will initiate a non-public offering to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in certain selected member states of the European Economic Area and to other selected investors in reliance on certain exemptions available under the laws of respective member states (the "**Institutional Offering**", together with the Retail Offering, the "**Offering**").

The Issuer will, simultaneously with the Offering, apply for the listing and for the admission to trading of the Shares on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

Expected Timetable

The timetable set forth below provides certain indicative key dates for the Offering:

Start of the period during which investors may submit purchase orders for the Offer Shares (the " Offer Period ")	23 September 2024
End of the Offer Period	8 October 2024
Announcement of the results of the Offering and determination of the Offer Price	9 October 2024
Settlement of the Offering	14 October 2024
First trading day on Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard)	16 October 2024

Offer Price Range

The Offer Price will be in the range of EUR 1.60 to EUR 1.85 (the “**Offer Price Range**”). The Offer Price Range may be amended until the end of the Offer Period on the basis of information obtained in the bookbuilding process in accordance with applicable laws and requirements. In accordance with the Prospectus Regulation, the Issuer is required to draw up a supplement to the Prospectus in the case any amendment is made to the Offer Price Range or the Offer Period.

The final offer price payable for each Offer Share (the “**Offer Price**”) shall be decided by the Issuer, after consultation with the Lead Manager, following the completion of the bookbuilding process. The order to acquire a certain amount of Offer Shares (the “**Subscription Undertaking**”) may be submitted only during the Offer Period. For the Retail Offering, Subscription Undertakings may be submitted only during the Offer Period at the fixed price of EUR 1.85 per Offer Share (i.e. the maximum value of the Offer Price Range) (the “**Maximum Price**”), indicating the maximum number of the Offer Shares they are willing to buy, and only in euros.

If (i) the Offering is cancelled in full, (ii) the final Offer Price is lower than the Maximum Price, (iii) the Subscription Undertaking is rejected or (iv) the allocation is less than the amount of Offer Shares indicated in the duly submitted Subscription Undertaking, the funds blocked on the investor’s cash account in excess of the payment for the allocated Offer Shares will be released by the financial institution within five business days after the relevant event or settlement occurs.

Allocation

The Issuer together with the Lead Manager expects to decide on the allocation of the Offer Shares after the expiry of the Offer Period and on or about 9 October 2024. The Offer Shares will be allocated to the investors participating in the Offering in accordance with the following principles which the Issuer may change depending on the distribution of subscription undertakings (the “**Subscription Undertaking**”) collected in the Offering, the total demand and other circumstances:

- (i) should an Over-Subscription occur, the Issuer will have the right to reduce or reject individual Subscription Undertakings under the Offering in its absolute discretion. For the purpose of the preceding sentence, an “**Over-Subscription**” will occur if the total amount of the Subscription Undertakings submitted exceeds the aggregate principal amount of the Offer Shares offered. In the event of a reduction or rejection of Subscription Undertakings, investors will be repaid the respective subscription amount, if any. Investors will be informed via their deposit bank to which extent their subscriptions were accepted;
- (ii) the Issuer, in consultation with the Lead Manager, will determine the exact allocation of the Offer Shares between Institutional Offering and Retail Offering as well as among investors in the Institutional Offering on a discretionary basis;
- (iii) under the same circumstances, all investors shall be treated equally, whereas depending on the number of investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Offer Shares allocated to one investor;
- (iv) the allocation shall be aimed to create a solid and reliable investor base for the Issuer;
- (v) possible multiple Subscription Undertakings submitted by an investor shall be merged for the purpose of allocation; and
- (vi) each investor entitled to receive the Offer Shares shall be allocated a whole number of Offer Shares and, if necessary, the number of Offer Shares to be allocated shall be rounded down to the closest whole number. Any remaining Offer Shares which cannot be allocated using the above-described process will be allocated to investors on a random basis; and
- (vii) in the Retail Offering, the allocation for investors who have subscribed for Offer Shares with an amount of more than EUR 100,000 shall be decided in the Institutional Offering by the Issuer together with the Lead Manager, at their sole discretion.

The Issuer expects to announce the results of the Offering and the allocation on or about 9 October 2024 through electronic information dissemination systems of the Nasdaq Riga and

the Frankfurt Stock Exchange and through the Issuer's website (<https://eleving.com/investors/>). The results of the Offering will be notified vis-à-vis the CSSF.

Settlement and Trading

The Offer Shares allocated to investors are expected to be transferred to their securities accounts on or about 14 October 2024 through the "delivery versus payment" method if subscribed via financial institutions, simultaneously with the transfer of payment for such Offer Shares on terms announced for the Offering. The title to the Offer Shares will pass to the relevant investors when the Offer Shares are transferred to their securities accounts proportionally to the number of shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary, in order to ensure that a whole number of Offer Shares is transferred to each securities account. If the transfer cannot be completed due to the lack of sufficient funds on the investor's current account, the Subscription Undertaking of the respective investor will be rejected and the investor will lose all rights to the Offer Shares allocated to such investor.

If an investor has submitted several Subscription Undertakings through several securities accounts, the Offer Shares allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Offer Shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary. Trading of the Offer Shares is expected to commence on the Nasdaq Riga (Baltic Main List) and Frankfurt Stock Exchange (Prime Standard) on or about 16 October 2024.

Listing and Admission to Trading

The Issuer will, simultaneously with the Offering, apply for the listing and for the admission to trading of the Shares on the Regulated Market of the Nasdaq Riga (Baltic Main List) and the Frankfurt Stock Exchange (Prime Standard). The expected date of listing and the admission to trading of the Shares is on or about 16 October 2024.

Dilution

As at the date of this Prospectus, the number of the Shares of the Issuer is 100,050,000. The number of the Offer Shares is up to 24,500,000 (including the Upsize Option and the Over-Allotment Option). Therefore, the shareholdings in the Issuer existing immediately prior to the Retail Offering and the Institutional Offering will be diluted by up to 79,60% as a result of the Offering (assuming full exercise of the Upsize Option and the Over-Allotment Option and with the assumption that Selling Shareholders do not subscribe in the course of the Offering for Shares corresponding to their shareholding). The Issuer's consolidated net asset value attributable to equity holders of the Issuer per share is EUR 0.60 as at 30 June 2024 (i.e., corresponding to the consolidated equity value attributable to equity holders of the Issuer and amount of shares of the Issuer at 30 June 2024).

Expenses

Assuming that all Offer Shares are subscribed for, total expenses of the Offering, listing and admission to trading are expected to be up to EUR 3,000,000. The investors will not be charged by the Issuer any costs, expenses or taxes.

Why is this Prospectus being produced ?

Reasons for the Offering and Admission to Trading

The key reason for the Offering, listing and admission to trading is to achieve better access to the capital markets and to use the capital raised to finance the development of the Group's business, continuing profitable growth and ensuring strong long-term financial health of the operations.

Use and estimated Net Amounts of the Proceeds

The Issuer intends to issue New Shares (including potential Over-Allotment Shares) in the amount resulting in gross proceeds of up to EUR 30,000,000. The Issuer will not receive any portion of the proceeds resulting from the sale of the Upsize Shares, if any. Assuming the full exercise of the Upsize Option, the gross proceeds from the sale of the Upsize Shares is currently expected to be up to EUR 10,000,000. Assuming that all Offer Shares (assuming the

full exercise of the Upsize Option and the Over-Allotment Option) are subscribed for and issued at the mid-point of the Offer Price Range:

- the net proceeds from the Offering attributable to the Issuer (after deduction of the expenses) are estimated to be up to EUR 27,000,000 (the “**Net Proceeds**”); and
- the net proceeds attributable to the Selling Shareholders (after deduction of the expenses) are estimated to be up to EUR 10,000,000 .

Up to EUR 12,900,000 of the Net Proceeds are intended to be used to proceed with a full repayment of the Elevation Group Subordinated Bonds 2021/2031. The remaining up to EUR 14,100,000 of the Net Proceeds are intended to be used to develop the Group's business by, *inter alia*, launching new products and potentially expand across multiple channels in new countries, reduce financing costs and for general corporate purposes.

Underwriting Agreement

The Retail Offering is not subject to an underwriting agreement.

Material conflicts of interest pertaining to the Retail Offering

According to the best knowledge of the Issuer, there are no material conflicts of interest pertaining to the Retail Offering, listing and admission to trading of the Shares to trading on the Nasdaq Riga's Regulated Market and Frankfurt Stock Exchange's Regulated Market.

The content of any website referred to in this summary by hyperlinks is for information purposes only and does not form part of the summary.

II. RISK FACTORS

Below is the description of risk factors that are material for the assessment of the market risk associated with the Shares.

Any of these risks could have a material adverse effect on the financial condition and results of operations of the Group. The market price of the Shares could decline due to any of these risks, and investors could lose all or part of their investments.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Prospectus and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of the Shares. In addition, investors should bear in mind that several of the described risks can occur simultaneously and those have, possibly together with other circumstances, a material adverse impact on the Group's business activities, financial conditions and result of operations. Additional risks, of which the Issuer is not presently aware, could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations.

In each category below the Issuer sets out first the most material risks, in its assessment. The assessment of the materiality of each risk factor based on the probability of its occurrence and the expected magnitude of its negative impact is disclosed by rating the relevant risk as, low, medium or high.

Potential investors should consider the following:

1. RISK FACTORS RELATING TO THE ISSUER, THE GROUP AND OUR BUSINESS

a) Risks relating to the Group's business activities and industry

The preparation of our consolidated financial statements under IFRS and certain tax positions taken by us require the judgment of management, and we could be subject to risks associated with these judgments or could be adversely affected by the implementation of new, or changes in the interpretation of existing, accounting standards, financial reporting requirements or tax rules

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). IFRS and its interpretations are subject to change over time. If new accounting standards or interpretations of or amendments to existing accounting standards require us to change our financial reporting, our results of operations and financial condition could be materially adversely affected, and we could be required to restate historical financial reporting.

The preparation of our consolidated financial statements in conformity with IFRS requires the Management Board and other management personnel to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the dates of the consolidated financial statements, and the reported amounts of income and expenses in the reporting periods. It also requires our Management Board and other management personnel to exercise their judgment in the application of our accounting policies. There is a risk that such estimates, assumptions or judgments by the Management Board and other management personnel do not correctly reflect the actual financial position of the Group.

In addition, management's judgment is required in determining the provision for income taxes, the levels of deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets, along with our approach to matters concerning withholding tax and value added tax. We regularly assess the adequacy of our tax provisions. If required, we also seek advice from external tax advisors. There can be no assurance as to the outcome of these decisions, or to the quality of advice we receive. From time to time, we may become subject to tax audits in the jurisdictions in which we operate. Furthermore, tax laws and regulations, including the interpretation and enforcement thereof, in the jurisdictions in which we operate may be subject to change. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner. Any additional or increased tax payments may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: High.

We may face difficulties in assessing the credit risk of potential customers

Despite our credit scoring as well as vehicle valuation models, we may be unable to correctly evaluate the current financial condition of each prospective customer and determine his or her creditworthiness and/or value of the collateral. Our financing decisions are partly based on information provided to us by applicants. Prospective customers may fraudulently provide us with inaccurate information upon which, if not alerted to the fraud, we may base our credit scoring. Any failure to correctly assess the credit risk of potential customers, due to failure in our evaluation of the customer or incorrect information fraudulently provided by the customer, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows and may even invoke regulatory sanctions (including imposition of fines and penalties, suspension of operations, or revocation of our licenses).

We utilize a variety of proprietary credit scoring criteria, monitor our loan portfolios performance and maintain an allowance for estimated losses on loans and advances (including interest fees) at a level estimated to be adequate to absorb expected credit losses. Our allowances for doubtful debts are based on estimations and thus, if circumstances or risks arise that have not been identified or anticipated when developing our credit scoring model, the level of our non-performing assets and write-offs could be greater than expected. Actual losses may materially exceed the level of our allowance for impairment losses, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. The quality of credit risk is influenced by, among other factors, customers' financial strength, collateral quality, overall demand for vehicles and general macroeconomic conditions. In order to assess the level of credit risk, we use our proprietary credit scoring system and/or vehicle valuation models that provide us with an objective basis to evaluate a potential lease.

Risk rating: Medium.

We are exposed to the risk that our customers or other contractual counterparties may default or that the credit quality of our customers or other contractual counterparties may deteriorate

The risk of counterparty default is defined as the potential negative deviation of the actual counterparty risk outcome from the planned one. This includes the risk of default on lease payments as well as on repayment. The deviation in outcome occurs when the actual loss exceeds the expected loss due to changes in internal credit ratings or credit losses.

In particular, we are subject to risk of loss through defaults in the customer business, notably, due to non-payments by a lessee or a borrower of its obligations. The default is contingent on the inability or unwillingness of the lessee or a borrower to make payments. This includes scenarios where the contracting party makes payments late, only partially or not at all.

We have implemented detailed procedures in order to contact delinquent customers for payment, initiate legal actions and, in the case of secured loans, also arrange for the repossession of unpaid vehicles and sell repossessed vehicles. However, there is still the risk that our assessment procedures, monitoring of credit risk, maintenance of customer account records, collection procedures and repossession policies, in the case of secured loans, might not be sufficient to prevent negative effects for our operations.

In addition, factors beyond our control, such as the impact of macroeconomic trends, political events or adverse events affecting our key jurisdictions, or natural disasters, may result in an increase in non-performing assets. Our allowances for doubtful debts may not be adequate to cover an increase in the amount of non-performing assets or any future deterioration in the overall credit quality of our total portfolio. If the quality of our total portfolio deteriorates, we may be required to increase our allowances for doubtful debts, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

A decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of our finance leases, used car rent and sale and lease back

As a lessor under leasing and used-car rental contracts we generally bear the risk that the market value of vehicles sold at the end of the term may be lower than the contractual residual value at the time the contract was entered into (so-called residual value risk). We take such differences into account in establishing provisions for the existing portfolio and in its determination of the contractual residual values for new business.

The residual value risk could be influenced by many different external factors, including, government policies and regulatory reforms (e.g. implementation of EU emission standards). For example, a decline in the residual value of used vehicles was evident during the global financial and economic crisis as a result of incentive programs, offered by governments (e.g. scrapping premium) and automobile manufacturers, aiming to promote new vehicle sales. New policy initiatives and regulatory changes may also be implemented in the future in response to a renewed deterioration of the macroeconomic environment. For instance, current political discussions surrounding potential driving bans of Diesel vehicles might influence the residual value risk of such vehicles. Due to the fact that customers might change their consumption behavior and refrain from buying Diesel vehicles, the potential implementation of these bans could have a negative impact on the corresponding market prices.

Furthermore, changes in economic conditions, government policies, exchange rates, marketing programs, the actual or perceived quality, safety or reliability of vehicles or fuel prices could also influence the residual value risk.

Uncertainties may also exist with respect to the internal methods for calculating residual values. Although we continuously monitor used vehicle price trends and make adjustments to our risk valuation, there is still the risk of using false or inaccurate assumptions to assess the residual value risk.

Estimates of provisions for residual value risks may be less than the amounts actually required to be paid due to misjudgments of initial residual value forecasts or changes in market or regulatory conditions. Such a potential shortfall may have a material adverse effect on the value of the collateral of our finance leases, used car rent and sale and lease back.

Risk rating: Medium.

Our operations in various countries subject us to foreign exchange risk

We operate in various jurisdictions and provide loan products in local currencies, including the Euro (“EUR”), the Georgian Lari (“GEL”), the Romanian Leu (“RON”), the Moldavian Leu (“MDL”), the Albanian Lek (“ALL”), the Armenian Dram (“AMD”), the Uzbekistani Som (“UZS”), the Kenyan Shilling (“KES”), the Ugandan Shilling (“UGX”), the North Macedonian Denar (“MKD”), the Ukrainian Hryvnia (“UAH”), the Lesotho Loti (“LSL”), the Zambian Kwacha (“ZMW”), the Botswanan Pula (“BWP”), the Namibian Dollar (“NAD”) and loans linked to the United States Dollar (“USD”) through monthly payments which are adjusted based on the performance of the United States Dollar in foreign exchange markets. Thus, our results of operations are exposed to foreign exchange rate fluctuations. As at 31 December 2023, 47% (as at 31 December 2022, 45%; as at 31 December 2021, 63%) of our net assets exposed to foreign currency risk are in highly volatile and unhedged currencies. Although we regularly monitor our open foreign currency positions, and manage them by borrowing in local currencies to the extent possible, and by entering into economically viable financial instruments, such as FX hedge agreements, we are still subject to certain shifts in currency valuations. Any failure to manage foreign exchange risk may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Substantial change in the underwriting standards

Further credit risks could arise if our management decides on a more aggressive risk tolerance without compensating for it in the form of sufficient additional revenue. For instance, the acceptance policy for lease or loan contracts could be adjusted to a riskier approach by setting higher acceptance thresholds. This could lead to a situation where our total credit risk increases, but the planned income from additional business does not compensate the additional risk-related costs. As a consequence, our operational results could be adversely affected.

Risk rating: Medium.

We are dependent upon our information technology systems to conduct our business operations

Our operations are significantly dependent on highly complex information technology (“IT”) systems. The underwriting process is mainly performed automatically by IT systems developed internally by us and used at various stages of the underwriting process, including customer registration, application, identification and credit scoring. In addition, bank transfers are completed online and reminder e-mails and invoices are automatically generated and sent to customers. If any IT system at any stage of the underwriting process were to fail, any or all stages of the underwriting process could be affected and customer access to our websites and products could be disrupted. Any disruption in our IT systems would prevent customers from applying for leases, used-car rent and loans, which would hinder our ability to conduct business and have a

material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Moreover, our IT strategy is based on utilizing, in our view, the most sophisticated technologies and solutions available on the market. Therefore, we intend to continue making substantial investments in our IT systems and to adapt our operations and software to support current and future growth. We are required by our IT strategy to continually upgrade our global IT system, and any failure to carry out such upgrades efficiently may result in the loss or impairment of our ability to do business or in additional remedial expense. In addition, there can be no assurance that we will be able to keep up to date with the most recent technological developments due to financial or technical limitations. Any inability to successfully develop or complete planned upgrades of our IT systems and infrastructure or to adapt our operations and software may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding

Our growth depends, to a significant extent, on our ability to obtain adequate funding from a variety of sources such as international capital markets, marketplace platforms, bank facilities and other third parties. It is possible that these sources of financing may not be available in the future in the amounts we require, or they may be prohibitively expensive and/or contain overly onerous terms. European and international credit markets have experienced, and may continue to experience, high volatility and severe liquidity disruptions, such as those that took place following the international financial and economic crisis in 2008 - 2009, and more recently, the European sovereign debt crisis. These and other related events have had a significant impact on the global financial system and capital markets, and may make it increasingly expensive for us to diversify our funding sources and refinance our debt, if necessary. Increased funding costs or greater difficulty in diversifying our funding sources may negatively impact our ability to sufficiently finance the expansion of our business operations and also, potentially, the business operations themselves, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our business depends on services provided by third parties such as banks, local consumer credit agencies, IT service providers and debt-collection agencies

For the most part, we advance loans to customers and collect repayments from customers through local bank accounts. Our continuing relationship with banks, with which we maintain accounts, are important to our business.

We contact consumer credit agencies and use other publicly available data sources in the jurisdictions in which we operate to verify the identity and creditworthiness of potential customers. In addition, every application in every country is verified through one or more credit bureaus. Should access to such information be restricted or disrupted for any period of time, or if the rates we are charged for access to such information should significantly increase, we may not be able to complete automatic customer identity and credit scoring checks in a timely manner or at all. This could impede our ability to process applications and to grant loans, and/or increase our cost of operation.

We also outsource certain IT services, such as software development, data center and technical support, to third party providers.

Moreover, in certain jurisdictions where we operate, we outsource the collection of debt to debt-collection agencies. The loss of a key debt-collection agency relationship, or the financial failure of one of our core debt-collection agency partners, could restrict our ability to recover delinquent debt, and there is no guarantee that we could replace a strategic debt-collection agency partner in a timely manner or on favorable terms.

Any inability to maintain existing business relationships with banks, local consumer credit agencies, IT service providers, debt-collection agencies and other third party providers or the failure by these third party providers to maintain the quality of their services or otherwise provide their services to us may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our current interest rate spread may decline in the future, which could reduce our profitability

We earn a substantial majority of our revenues from interest payments and fees on the loans we make to our customers. Financial institutions and other funding sources provide us with capital to fund these loans and charge us interest on funds that we draw down. In the event that the spread between the rate at which we lend to our customers and the rate at which we borrow from our lenders decreases, our financial results and operating performance will suffer. The interest rates we charge to our customers and pay to our lenders could each be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements. These interest rates may also be affected by a change over time in the mix of the types of products we sell to our customers and investors. Interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, the level of economic growth, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the jurisdictions in which we operate. Any material reduction in our interest rate spread could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Our ability to recover outstanding debt may deteriorate if there is an increase in the number of our customers facing personal insolvency procedures

Various economic trends and potential changes to existing legislation may contribute to an increase in the number of customers subject to personal insolvency procedures. The ability to successfully collect on our loans may decline with an increase in personal insolvency procedures or a change in insolvency laws, regulations, practices or procedures, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

We operate in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful

We operate in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number and total volume of loans while managing our credit risk;
- improve the terms on which we provide loans to our customers as our business becomes more efficient;
- increase the effectiveness of our direct marketing;
- increase repeated borrowing particularly in the consumer lending segment;
- increase partnership and brokerage network;
- successfully develop and deploy new products;
- favorably compete with other companies that are currently in, or may in the future enter, the business of vehicle financing, used car renting and consumer lending;
- successfully navigate economic conditions and fluctuations in credit markets;
- respond to regulatory developments;
- successfully integrate new acquisitions;
- effectively manage the growth of our business; and
- successfully expand our business into new markets.

We may not be able to successfully address these risks and difficulties, which could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

We may make acquisitions or pursue business combinations that prove unsuccessful or strain or divert our resources

Our growth strategy depends, in part, on the acquisition of existing businesses, including possible competitors. For example, in 2020, we expanded our business into consumer lending by acquiring three profitable and mature operating entities (Sebo, Finmak (formerly Fintek and Tigo) and ECFA (formerly Kredo) in Moldova, North Macedonia and Albania and in July 2023, we further expanded our consumer lending business through the process of integration of SIA ECFG (formerly SIA EC Finance Group), better known as ExpressCredit, a consumer finance provider operating in Botswana, Namibia, Lesotho, and Zambia. We expect to continue growing our business by acquiring or combining with other businesses.

Successful growth, partially through future acquisitions, is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and ultimately complete such transactions and integrate the acquired businesses into our existing network. If we make acquisitions, there can be no assurance that we will be able to generate expected margins or cash flows or to realize the anticipated benefits of such acquisitions, including growth or

expected synergies. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations.

Integration risks are particularly high when entering a new market due to the time associated with establishing an appropriate credit scoring and vehicle valuation models and an effective collection system. We may not be able to integrate acquisitions successfully into our business or such integration may require more investment than expected, particularly if acquisitions are in regions or areas of business where we do not currently have operations, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties, which may impact our results of operations. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses, or a deterioration in our results of operations. Moreover, any acquisition may result in the incurrence of additional debt. All of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

Rapid growth and expansion may place significant strain on our managerial and operational resources and could be costly

We have experienced substantial growth and development in a relatively short period of time and, although our strategy is to grow profitably, our business may continue to grow substantially in the future. This growth has placed and may continue to place significant demands on our management and our operational and financial infrastructure. Expanding our products or entering into new jurisdictions with new or existing products can be costly and may require significant management time and attention. Additionally, as our operations grow in size, and as scope and complexity and our product offerings increase, we will need to upgrade our systems and infrastructure to offer an increasing number of customer-enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will ultimately increase. Continued growth could also strain our ability to maintain reliable service levels for our customers, develop and improve our operational, financial and management controls, develop and enhance our legal and compliance controls and processes, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. Managing our growth will require, among other things, continued development of financial and management controls and IT systems; increased marketing activities; hiring and training new personnel; and the ability to adapt to changes in the countries in which we operate, including changes in legislation, incurrence of additional taxes, increased competition and changes in the demand for our services. Rapid growth and expansion may be costly, and may strain our managerial and operational resources; any difficulties encountered in managing our growth may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Damage to our reputation and brand or a deterioration in the quality of our service may impede our ability to attract new customers and retain existing customers

Our ability to attract new customers and retain existing customers depends in part on our brand recognition and our reputation for and delivery of high quality services. The

Group has recently rebranded by transferring from an outgrown umbrella brand to the new Eleving Group brand to better reflect the growing product range of the Group. Although the previously established Mogo brand remains the product brand in all vehicle finance countries of the Group, it is uncertain how the rebranding will affect our brand recognition and our reputation. In addition, our reputation and brand (including the newly acquired consumer finance brands – Kredo, Tigo, Bongo, Sebo and ExpressCredit) may be harmed if we encounter difficulties in the provision of new or existing services, whether due to technical difficulties, changes to our traditional product offerings, financial difficulties, regulatory sanctions, or for any other reason. An unsuccessful rebranding, damage to our reputation and brand, or a deterioration in the quality of our service, may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

The international scope of our operations may contribute to increased costs

We currently operate in 16 countries and, as part of our business strategy, we aim to continue pursuing attractive business opportunities in new jurisdictions. Although we analyze and carefully plan our international expansion and strictly control our investments, such expansion increases the complexity of our organization and may result in additional administrative costs (including costs relating to investments in IT), operational risk (including risks relating to management and control of cash flows and management and control of local personnel), other regulatory risk (including risks relating to non-compliance with data protection, anti-money laundering and local laws and regulations) and other challenges in managing our business. Any unforeseen changes or mistakes in planning or controlling our operations in these respects may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

The introduction of our new products and services may not be successful

As part of our business strategy, we may develop and introduce products and services that complement our current lending proposition. For example, in 2019 we introduced our new premium vehicle financing brand, Primero, through a joint venture with a local Latvian bank. However, we cannot guarantee these pilot products will be developed into permanent product offerings or that we will launch any other new products. We can also offer no assurance that any products or services that we introduce will be successful once they are offered to our current or future customers. We may not be able to adequately anticipate our target customers' needs or desires, which could change over time rendering certain of our products and services obsolete. We may face difficulties in making these products and services profitable and may incur significant costs in connection with such products. Moreover, our introduction of additional financial products or services could subject us to additional regulation or regulatory oversight by governmental authorities. Any of these factors may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our business depends on a strategically located branch footprint

A core part of our vehicle loan origination process is visually inspecting the vehicle on the spot before issuing the loan. Convenient location greatly improves customer experience and, thus, conversion. We have established branches in strategic locations,

such as within close vicinity of large local vehicle markets, near (or within) vehicle registries, or areas with high population density to ensure vehicle inspection process causes minimal disruption in the customer journey. Our consumer lending business, formed through a strategic acquisition during 2020, also depends on the number of branches as well as their convenient location to enable our customers to easily contact our customer service representatives.

We do not own any of the premises where our branches are located. Any inability to maintain existing relationships with current landlords may have a material adverse effect on customer experience & conversion and/or increase cost of our operations as we may not be able to find comparable locations at similar cost.

Risk rating: Low.

Our business depends on marketing affiliates to assist us in obtaining new customers

We are partially dependent on marketing affiliates as a source for new customers. Our marketing affiliates place our advertisements on their websites, which, in turn, direct potential customers to our websites. As a result, the success of our business depends substantially on the willingness and ability of marketing affiliates to provide us customer leads at acceptable prices.

The failure of our marketing affiliates to comply with applicable laws and regulations, or any changes in laws and regulations applicable to marketing affiliates or changes in the interpretation or implementation of such laws and regulations, could have an adverse effect on our business and could increase negative perceptions of our business and industry. Also, certain changes in our online marketing affiliates' internal policies or privacy rules could limit our ability to advertise online. Additionally, the use of marketing affiliates could subject us to additional regulatory cost and expense. Any restriction on our ability to use marketing affiliates may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our vehicle finance business depends on partnerships (e.g. vehicle dealers) and brokers to assist us in obtaining new customers

A substantial part of our loan issuances goes through vehicle dealer and broker channels. We typically motivate our partners to work with us by paying a commission for each loan issued and, in some cases, offering better loan terms to the customers that have been attracted by some (or all) partners. In most countries, our competitors use similar partner motivation models and the majority of partners work with more than one lease provider.

Should our partner motivation system become less competitive or should our loan product terms become substantially worse compared to competition, we may lose all or part of the business that is issued through partner channel. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

A decrease in demand for our financial products and failure by us to adapt to such decrease could result in a loss of revenues

Any decrease in demand for our products could have a significant impact on our revenue. A variety of factors could influence demand for our products, such as

increased availability or attractiveness of competing financial products, changes in consumer sentiment and spending or borrowing patterns, regulatory restrictions that inhibit customer access to particular financial services, and changes in the financial condition of our customers that cause them to seek financing from other lending institutions or, alternatively, to exit the lending market entirely. Should we fail to adapt to a significant change in customer demand for, or access to, our products and services, our revenues could decrease significantly and our on-going business operations could be adversely affected. Even if we do adapt our existing products or introduce new products to meet changing customer demand, customers may resist or reject such products. The effect of any product diversification or change on the results of our business may not be fully ascertainable until the change has been in effect for some time. All of these factors may result in a loss of revenue and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

We may be unable to protect our proprietary technology or keep up with that of our competitors and we may become subject to trademark infringements and intellectual property disputes, which are costly to defend and could harm our business and operating results

The success of our online and mobile lending channels depend to a significant degree upon the protection of our software and other proprietary intellectual property rights. We may be unable to deter misappropriation or other unauthorized use of our proprietary information or take appropriate steps to enforce our intellectual property rights. In addition, competitors could, without violating our proprietary rights, develop technologies that are as good as or better than our technology. Failure to protect our software and other proprietary intellectual property rights or to develop technologies that are as good as our competitors' could put us at a competitive disadvantage. Any such failures may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

We may face in the future, allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors. Third parties without any affiliation to the Group may also infringe our intellectual property rights by unauthorized use of our trademarks. Trademark and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes. Such events may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and respond to cyber incidents

Our business involves the storage and transmission of customers' proprietary and personal information, and security breaches could expose us to a risk of loss or misuse of this information, of being involved in litigation procedures and of potentially being held liable. We are entirely dependent on the secure operation of our websites and systems, and the websites and systems of our data center providers, as well as on the operation of the internet generally. While we have not incurred any significant cyber-

attacks or security breaches to date, a number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers and/or our data center providers. Although we and our data center providers devote resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, there is no assurance that these security measures will provide absolute security. Despite our efforts to ensure the integrity of our systems and our data center providers' efforts to ensure the integrity of their systems, effective preventive measures against all security breaches may not be anticipated or implemented, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources. These risks may increase in the future as we continue to increase our mobile and other internet-based product offerings and expand our internal usage of web-based products and applications or expand into new countries. If an actual or perceived breach of security occurs, customer and/or supplier perception of the effectiveness of our security measures could be harmed and could result in the loss of customers, suppliers or both. Actual or anticipated attacks and risks may cause us to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees or engage third party experts and consultants.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions, including "denial-of-service" type attacks. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches that result in the unauthorized release of customers' personal information could damage our reputation and expose us to a risk of loss or litigation and possible liability. In addition, many of the third parties who provide products, services or support to us could also experience any of the cyber risks or security breaches described above, which could impact our customers and our business and could result in a loss of customers, suppliers or revenue.

Any of these events could result in a loss of revenue and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our success is dependent upon our management and employees and our ability to attract and retain qualified employees

Our success depends on our management and employees who possess highly specialized knowledge and experience in IT and the development of vehicle and consumer financing. Many members of our senior management team possess significant experience in the lending industry and knowledge of the regulatory and legal environment in the countries in which we operate, and we believe that our senior management would be difficult to be replaced. The market for qualified individuals is highly competitive and labor costs for hiring and training new employees are increasing. Accordingly, we may not be able to attract and/or retain qualified managers or IT specialists, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

If we fail to geographically diversify and expand our operations and customer base, our business may be adversely affected

Several countries in which we operate generate a significant share of our revenues. As a result, we are exposed to country-specific risks. In such countries, a dissatisfaction with our products, a revocation of our operating license, a decrease in customer demand, a failure to successfully market our new and existing products or the failure to further expand our customer base and retain our existing customer base may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. While we continue to seek opportunities to expand our operations into new countries, there can be no guarantee that such efforts of diversification will be successful. Failure to geographically diversify and expand our operations and customer base could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Failure to keep up with the rapid changes in e-commerce and the uses and regulation of the Internet could harm our business

The business of providing products and services such as ours over the Internet is dynamic and relatively new. We must keep pace with rapid technological change, consumer use habits, Internet security risks, risks of system failure or inadequacy and governmental regulation and taxation. Local regulators may have divergent interpretations as to the classification of our services provided online, which may result in the reclassification of our services into services requiring a separate license. In addition, concerns about fraud, computer security and privacy and/or other problems may discourage additional customers from adopting or continuing to use the Internet as a medium of commerce, and each of these factors could adversely impact our business.

Risk rating: Low.

Significant, rapid or unforeseen economic or political changes in the economies in which we operate could reduce demand for our products and services and result in reduced income

We operate in a variety of countries which experience or may face in the future political and/or economic instability. Countries in which we currently operate, such as Armenia, Lesotho, Botswana, Namibia and Uganda, have suffered from political turbulence and, in some instances, armed conflicts. We also consider expanding our business into other new countries should opportunities present themselves. Hence, any significant changes in, or a deterioration of, the political environment in regions where we currently operate or will operate in the future could lead to political and economic instability, which may have an adverse effect on investor and consumer confidence and affect consumers' ability to repay loans. Should the ability of our customers to repay loans be negatively affected, this could restrict our ability to sustain or expand our operations in these countries and could therefore adversely and materially affect our cash flow, liquidity and working capital position.

Risk rating: Low.

The unstable regulatory and legal framework and the volatility of the emerging economies in which we operate could reduce demand for our products and services and result in reduced income

In recent years, certain of the emerging markets where we operate have undergone substantial economic and institutional change. As it is typical of emerging or transitioning markets, they do not possess the full business, legal and regulatory infrastructures that would generally exist in more mature, free market economies, and the business, legal and regulatory infrastructures in these jurisdictions are continuously evolving. See also “*Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance, we may be subject to fines or penalties, have to exit certain markets or be restricted from carrying out certain operations*”. In addition, the tax and currency legislation in the markets in which we operate are subject to varying interpretations and changes, which can occur frequently. Any disruption of the reform policies and recurrence of economic instability may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

The future economic development of the countries in which we operate remains largely dependent upon the effectiveness of economic, financial and monetary policies undertaken by their respective governments, together with tax, legal and regulatory developments. Our failure to manage the risks associated with our operations in emerging markets may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Our operations could be subject to civil unrest and other business disruptions, which could adversely impact our future income and financial condition and increase our costs and expenses

Our services and operations are vulnerable to damage or interruption from power losses, telecommunications failures, terrorist attacks, acts of war and similar events in countries where we operate. Although we have clear understanding of actions necessary to be taken in case of disaster to recover our IT systems, acts of terrorism, war, civil unrest and violence could cause disruptions to our business or the economy as a whole. Any of these events could cause consumer confidence to decrease, which could decrease the number of loans we make to customers. Any of these occurrences may have a material adverse effect on our business, financial condition, results of operations, prospects, credit recovery or cash flows.

Risk rating: Low.

b) Risks related to the Group’s financial situation

Changes in our working capital requirements may adversely affect our liquidity and financial condition

Our working capital requirements can vary significantly from market to market, depending, in part, on differences in demand for vehicle financing and consumer credit. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and available credit facilities to satisfy those needs, as well as potential sources of additional capital.

Furthermore, an economic or industry downturn could increase the level of non-performing assets. A significant deterioration in our debt collection or our ability to sell

non-performing loans to third parties could affect our cash flow and working capital position and could also negatively impact the cost or availability of financing to us.

If our capital resources are insufficient to meet our capital requirements, we will have to raise additional funds. We may not be able to raise sufficient additional funds on terms that are favorable to us, if at all. If we fail to raise sufficient funds, our ability to fund our operations, take advantage of strategic opportunities or otherwise respond to competitive pressures could be significantly limited, which may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows. See also “*The continued expansion of our portfolio depends, to an increasing extent, upon our ability to obtain adequate funding*”.

Risk rating: Medium.

Our substantial level of indebtedness could adversely affect our financial condition and our ability to obtain financing in the future

We have substantial indebtedness and we may incur additional indebtedness. Our high level of indebtedness and high debt to equity ratio could have important consequences. Notably, it could:

- require us to dedicate a substantial portion of our cash flows from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of such cash flows to fund working capital, acquisitions, capital expenditures and other general corporate purposes;
- limit our ability to obtain additional financing for working capital, acquisitions, capital expenditures, debt service requirements and other general corporate purposes;
- limit our ability to refinance indebtedness or cause the associated costs of such refinancing to increase;
- limit our ability to fund change of control offers;
- restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us, which could limit our ability to, among other things, make required payments on our debt;
- increase our vulnerability to general adverse economic and industry conditions, including interest rate fluctuations (because a portion of our borrowings may have variable rates of interest); and
- place us at a competitive disadvantage compared to other companies with proportionately less debt or comparable debt at more favorable interest rates who, as a result, may be better positioned to withstand economic downturns.

The high level of our indebtedness and the consequences thereof (as described above) could have a material adverse effect on our business, financial condition and results of operations. We expect to obtain the funds to pay our expenses and to repay our indebtedness primarily from our operations. Our ability to meet our expenses and make these payments thus depends on our future performance, which will be affected by financial, business, economic, regulatory and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future and our currently anticipated growth in revenue and cash flow may not be realized, either or both of which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough funds, we may be required to refinance all or part of our then existing debt, sell assets or borrow more funds, which

we may not be able to accomplish on terms acceptable to us, or at all. In addition, the terms of existing or future debt agreements may restrict us from pursuing any of these alternatives.

Risk rating: Medium.

We may face liquidity risks

We are exposed to liquidity risks arising out of the mismatches between the maturities of our assets and liabilities, which may prevent us from meeting our obligations in a timely manner. If short- and, in particular, long-term funding from international capital markets is unavailable or if maturity mismatches between our assets and liabilities occur, this may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

A downgrade of the Group's credit ratings may increase its financing costs and harm its ability to finance its operations and investments

On 7 June 2024, Fitch Ratings – a branch of Fitch Ratings Ireland Limited (“Fitch”) affirmed the Issuer’s Long-Term Issuer Default Rating (IDR) at ‘B’, with a Stable Outlook and a Short-Term Issuer Default Rating of ‘B’. Fitch has also affirmed the Issuer’s senior secured debt rating at ‘B’ with a Recovery Rating of ‘RR4’. Depending on its ratings, the Group’s access to capital markets may be limited and obtaining funding from capital markets may be more expensive. There can be no assurance that the credit ratings assigned to the Issuer will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the rating agency if, in such rating agency’s judgment, circumstances so warrant. Any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the Shares and increase our corporate borrowing costs.

Risk rating: Medium.

We may be able to incur substantially more debt, including secured debt, which could further exacerbate the risks associated with our substantial level of indebtedness

We may incur substantial additional indebtedness in the future, including secured debt. If new debt is added to our current debt levels, the related risks that we face would increase, and we may not be able to meet all of our debt obligations.

Risk rating: Medium.

c) Legal and regulatory risk

Failure to comply with anti-corruption laws, including anti-bribery laws, could have an adverse effect on our reputation and business

While we are committed to doing business in accordance with anti-corruption and anti-bribery laws applicable in the countries where we operate, we face the risk that any of our operating subsidiaries or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such anti-corruption laws, or face allegations that they have violated such laws.

Certain countries where we operate pose risks of corruption violations. According to the 2023 Transparency International Corruption Perceptions Index, which evaluates

data on corruption in countries throughout the world by ranking countries from 1 (least corrupt) to 179 (most corrupt), key markets for the Group in terms of assets, growth and profitability like Lithuania, Romania, Kenya and Moldova were ranked 34, 63, 126 and 76 respectively.

While we closely monitor any signs of potential breaches of the law, the effects of corruption on our operations are difficult to predict. However, under certain circumstances, corruption, particularly where it heightens regulatory uncertainty or leads to regulatory changes adverse to our operations or to liability on our part or on the part of our directors or business partners, may result in penalties and sanctions, which may have a material adverse effect on our reputation, business, financial condition, results of operations, prospects or cash flows.

Risk rating: Medium.

The legal and judicial systems in some of our countries of operation are less developed than western European countries – enforceability risk

The legal and judicial systems in some of the countries in which we operate are less developed than those of western European countries. Commercial, competition, securities, anti-bribery, personal data protection, company and bankruptcy law (as well as other areas of law) in such countries may be unfamiliar to local judges. Related legal provisions in these jurisdictions have been and continue to be subject to ongoing, and at times unpredictable, changes. Existing laws and regulations in our countries of operation may be applied inconsistently or may be interpreted in a manner that is restrictive and non-commercial. Furthermore, it may not be possible, in certain circumstances, to obtain legal remedies in a timely manner in these countries. The relatively limited experience of a significant number of judges or other legal officials practicing in these countries, specifically with regard to capital markets issues, and questions regarding the independence of the judiciary system in such countries may lead to decisions based on considerations that are not grounded in the law. The enforcement of judgments may also prove difficult, which means that the enforcement of rights through the respective court systems may be laborious, especially where such judgments may lead to business closures or job losses. This lack of legal certainty may adversely affect our business, and may also make it difficult for you to address any claims you may have as an investor.

Risk rating: Medium.

Fraud risk related to employees and management

We are exposed to the risk of fraud and misconduct by employees, including management, which could materially impact our financial performance, reputation, and overall operations. Fraud risk arises from actions such as misappropriation of company assets, financial statement manipulation, insider trading, bribery, or violation of laws and regulations. These risks can lead to significant legal, financial, and reputational consequences, including fines, regulatory sanctions, loss of market confidence, or even criminal prosecution.

Risk rating: Low.

Our business is highly regulated, and if we fail to comply with existing or newly introduced applicable laws, regulations, rules and guidance we may be subject to fines, penalties or limitations, have to exit certain countries or be restricted from carrying out certain operations

Our operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. See “*Regulatory Environment*”. National and international regulations, as well as plaintiff bars, the media and consumer advocacy groups, have subjected our industry to intense scrutiny in recent years. Failure to comply with existing laws and regulations applicable to our operations, or to obtain and comply with all authorizations and permits required for our operations, or adverse findings of governmental inspections, may result in the imposition of material fines or penalties or more severe sanctions, including preventing us from continuing substantial parts of our business activities, suspension or revocation of our licenses, or in some cases criminal penalties being imposed on our officers.

In several of the jurisdictions where we operate, we also face risks related to the acquisition of licenses to conduct financial leasing and consumer lending services. We are dependent on the authorities to grant us such required licenses, and in some jurisdictions the licenses are subject to renewal procedures. See “*Regulatory Environment*”. If we fail to comply with the laws and regulations applicable to our business, it may result in us not being able to renew our consumer lending license in one or several jurisdictions. Local regulators may also suspend existing licenses temporarily or revoke them permanently.

Furthermore, governments may seek to impose new laws, regulatory restrictions or licensing requirements that affect the products or services we offer, the terms on which we offer them, and the disclosure, compliance and reporting obligations we must fulfill in connection with our business. They may also interpret or enforce existing requirements in new ways that could restrict our ability to continue our current methods of operation, including the development of our scoring models, or to expand operations or impose significant additional compliance costs on us. In some cases these measures could even directly limit or prohibit some or all of our current business activities in certain jurisdictions, or render them unprofitable. In addition, they could require us to refund interest and result in a determination that certain leases and loans are not recoverable and could cause damage to our brand and our valued customer relationships.

Risk rating: Low.

Our business is subject to complex and evolving laws and regulations regarding privacy, data protection, and other matters

Our business is subject to a variety of laws and regulations internationally that involve user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The introduction of new products or the expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and may also be inconsistent with our current or past policies and practices. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new countries, result in negative publicity, increase

our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other remedies, including demands which may require us to modify or cease existing business practices and/or pay fines, penalties or other damages. This may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Although we continuously educate our employees on applicable laws and regulations in relation to privacy, data protection and other relevant matters, we cannot guarantee that our employees will comply at all times with such laws and regulations. If our employees fail to comply with such laws and regulations in the future, we may become subject to fines or other penalties which may have a negative impact on our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

Failure to comply with anti-money laundering laws could have an adverse effect on our reputation and business

We are subject to anti-money laundering laws and related compliance obligations in part of the jurisdictions in which we do business. We have put in place local anti-money laundering policies and procedures, which we apply in all of our countries of operation. However, our compliance with the anti-money laundering requirements of local laws may not prevent all possible breaches. The relatively small amounts invested by our customers make our business less attractive for money laundering activities at a large scale and therefore we consider the money laundering risk inherent to the Group is low. Country managers in each jurisdiction are responsible for money laundering prevention and compliance. As a financial institution, we are required to comply with anti-money laundering regulations that are generally less restrictive than those that apply to banks. As a result, we often rely on anti-money laundering checks performed by our customers' banks when such customers open new bank accounts. If we are not in compliance with relevant anti-money laundering laws (including as a result of relying on deficient checks carried out by our customers' banks), we may be subject to criminal and civil penalties and other remedial measures. Any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm our reputation and may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

We may be adversely affected by contractual claims, complaints, litigation and negative publicity

We may be adversely affected by contractual claims, complaints and litigation, resulting from relationships with counterparties, customers, competitors or regulatory authorities, as well as by any adverse publicity that we may attract. Any such litigation, complaints, contractual claims, or adverse publicity may have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Defense of any lawsuit, even if successful, could require substantial time and attention of our management and could require the expenditure of significant amounts for legal fees and other related costs. We are also subject to regulatory proceedings, and we could suffer losses from the interpretation of applicable laws, rules and regulations in regulatory proceedings, including regulatory proceedings in which we are not a party. Any of these events could have a material adverse effect on our business, financial condition, results of operations, prospects or cash flows.

Risk rating: Low.

The transposition of the Anti-Tax Avoidance Directive in Luxembourg law could have an impact on our tax position (including our performance)

As part of its anti-tax avoidance package, the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (“**ATAD 1**”).

In this respect, the Luxembourg law dated 21 December 2018 (the “**ATAD 1 Law**”) transposed ATAD 1 into Luxembourg legislation. The ATAD 1 Law may have an impact on the tax position of the Issuer (including on its performance). Amongst the measures contained in the ATAD 1 Law is an interest deductibility limitation rule.

The interest deduction limitation rule set out by ATAD 1 has been implemented in article 168bis of the Luxembourg income tax law (“**LITL**”) effective as at 1 January 2019, which restricts, for a Luxembourg taxpayer (such as the Issuer), the deduction of net interest expenses qualifying as “exceeding borrowing costs” to the higher of (i) 30% of the taxpayer’s EBITDA (defined as the taxpayer’s total net income increased by the amount of its exceeding borrowing costs, depreciation and amortisation), and (ii) €3 million.

Exceeding borrowing costs are defined as the amount by which the deductible borrowing costs of a taxpayer exceeds the taxpayer’s taxable interest revenues and other economically equivalent taxable income of the taxpayer. Exceeding borrowing costs not deductible in a tax period can be carried forward indefinitely. The same applies to a taxpayer’s excess interest capacity which cannot be used in a given tax period (however, such exceeding interest capacity can only be carried forward for a maximum period of 5 years).

Ultimately, the effects of ATAD 1 may potentially lead to additional taxes being imposed on the Issuer, affecting the value of the Shares.

Risk rating: Low.

Other tax risks

Further changes in tax legislation (such as the Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union implementing OECD global minimum taxation rules (Pillar 2) which has been implemented in Luxembourg domestic law on 20 December 2023), administrative practice or case law, which are possible at any time and may occur on short notice, could also have adverse tax consequences for the Issuer.

Risk rating: Low.

2. RISKS RELATING TO THE SHARES AND THE OFFERING

The Nasdaq Riga is considerably less liquid and considerably more volatile compared to other established capital markets with a longer history.

The fairly small market capitalisation and low liquidity of the Nasdaq Riga may adversely affect shareholders’ ability to sell the Shares in substantive amounts. It may also result in increased volatility of the price of the Shares, while an individual transaction may result in a significant movement of the price of the Shares. Low general levels of transactional activity may cause material differences in the total consideration of overall sale and purchase transactions in the Shares. The decision to

de-list by one or more companies admitted to trading on Nasdaq Riga or the admission to trading of one or more new companies could have a significant impact on the market capitalisation and liquidity of Nasdaq Riga as a whole.

Risk Rating: Medium.

Prior to the Offering, the Shares have not been traded publicly and there can be no assurance that a liquid trading market for the Issuer's shares will develop or can be maintained over time.

Following the Offering, the share price will be affected primarily by the supply and demand for the Shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Issuer's control. There is no guarantee that an active and liquid market for the Shares will develop, fluctuations may occur in actual or projected results of operations, there could be changes in projected earnings, changes in trading volumes in the Shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in the legal framework in which the Issuer operates and other factors. In addition, public perception of the Issuer could result in the Share price moving in line with the prices of other shares in companies of this nature. The failure to develop or maintain an active trading may affect the liquidity and trading price of the Shares could be adversely affected.

Risk Rating: Medium.

Future offerings of debt or equity securities by the Issuer may adversely affect the market price of the Issuer's shares and could significantly dilute existing shareholdings in the Issuer.

The Issuer may subsequently seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional shares. The issuance of additional shares or securities containing a right to convert to common shares, such as convertible bonds or convertible notes, may potentially reduce the Issuer's share price through dilution should existing shareholders not participate in such issues to retain existing level of participation in the Issuer.

Furthermore, the dilution of an individual shareholder's participation in the Issuer may occur if that shareholder cannot or decides not to subscribe for any subsequently newly-issued shares or convertible securities pro rata to their existing shareholding. As a result, the proportion of the shareholding of any individual shareholder in the Issuer may decrease in the future.

Risk Rating: Medium.

The payment of future dividends will depend, among other things, on the Group's results of operations, financial and investment needs, the availability of distributable reserves and shareholder approval.

In the past, the Issuer has distributed dividends to its shareholders and intends to distribute dividends in the foreseeable future. The Issuer has developed a dividend policy, setting out the principles for payment of dividends. The Issuer's only business operations consist of providing financing to the Group companies and to act as holding company of the Group with no business operations other than the equity interests it holds in its subsidiaries. See "*Information about the Issuer and the Group*". The Issuer will be dependent upon the cash flow from our operating subsidiaries in the form of interest income, direct loan repayment, dividends or other distributions or payments to meet their obligations. The amounts of interest income, dividends or other distributions

or payments available to the Issuer will depend on the profitability and cash flows of our subsidiaries and the ability of those subsidiaries to issue dividends and make distributions and other payments under applicable law. Our subsidiaries, however, may not be able to, or may not be permitted under applicable law to, make interest payments, loan principal repayments, dividends, distributions or other payments to the Issuer.

Certain reserves may need to be established and have to be deducted when calculating the distributable profit. In addition, debt financing arrangements of the Issuer contain and future debt financing arrangements may contain covenants which impose restrictions on the Issuer's business and on the ability by the Issuer to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the ability of the Issuer to pay dividends.

Risk Rating: Medium.

Future sales by the Issuer's shareholders or investors acquiring shares in the offering, or the perception that such sales could occur, could depress the price of the Issuer's shares.

Sales of a substantial number of the Issuer's Shares in the public market following the listing and admission to trading of the Issuer's Shares, or the perception that such sales might occur, could depress the market price of the Issuer's Shares and could impair the Issuer's ability to raise capital through the sale of additional equity securities, also considering that a stabilization mechanism for the first trading weeks will only be implemented at the Nasdaq Riga and not at the Frankfurt Stock Exchange. The Shares owned by the existing shareholders of the Issuer, holding together the entirety of the capital of the Issuer prior to the Offering are subject to a customary lock-up upon the conclusion of respective lock-up agreements, as further disclosed in section XX. *Terms And Conditions Of The Offering, 10. Agreements related to the Offering.* There is no assurance that such shareholders, whose respective interests may not be aligned with those of other shareholders of the Issuer, will not dispose of their Shares in the Issuer under an exemption from the lock-up or following the expiration of the lock-up period. If this happens, or if one or more of the Issuer's other shareholders effect a sale or sales of a substantial number of the Issuer's Shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of the Issuer's Shares.

Risk Rating: Low.

The Offering may be cancelled or delayed.

The Issuer will pursue its best efforts to ensure a successful Offering. However, there can be no assurances that the Offering will be successful and that the investors will receive the Offer Shares they apply for to purchase. See "*Postponement or Cancellation of the Offering*".

Risk Rating: Low.

There may be a lack of adequate analyst coverage.

There is no guarantee of continued analyst research coverage for the Issuer. Over time the amount of third-party research available in respect to the Issuer may increase or reduce with little to no correlation with the actual results of Issuer's operations, as the Issuer has no influence on the analysts who prepare such research. Negative or insufficient third-party coverage may have an adverse effect on the market price and trading volume of Shares.

Risk Rating: Low.

Shareholders in countries with currencies other than the Euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of Issuer shares.

The Issuer's shares will be quoted only in Euros and any future payments of dividends, if any, on the Issuer's shares will be denominated in Euros. During recent periods, the Euro has fluctuated in value against other world currencies. Other currency equivalent of any dividends paid on the Issuer's shares or any distributions made would be adversely affected by the depreciation of the Euro against other currencies. Accordingly, any investment in the Issuer's shares by a shareholder whose main currency is not the Euro will be exposed to exchange rate risk so that any depreciation of the Euro in such shareholder's main currency will reduce the value of their equity investment and the value of any dividends received from the Issuer.

Risk Rating: Low.

III. GENERAL INFORMATION

1. Responsibility Statement

The Issuer accepts sole responsibility for the information contained in this Prospectus and hereby declares, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the offering, admission to trading and listing of the Shares on the Regulated Market, including all information which, according to the particular nature of the Issuer, of the Group and of the Shares is necessary to enable investors to make an assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attached to the Shares, that the information contained in this Prospectus is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Prospectus are honestly held, and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading in any material respect, and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

2. Authorisation

The Offering of the Offer Shares, listing and admission to trading of the Shares on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard) has been authorised and resolved by a resolution of the Management Board of the Issuer dated 19 September 2024. The capital increase for the issue of up to 18,500,000 new ordinary shares in dematerialised form with a nominal value of EUR 0.01 is expected to be resolved by the Management Board of the Issuer on or around 14 October 2024.

3. Subject of this Prospectus

The subject matter of the Prospectus is the Retail Offering of the Offer Shares consisting of:

- up to 16,900,000 Base Shares;
- up to 6,000,000 Upsize Shares; and
- up to 1,600,000 Over-Allotment Shares.

Further, this Prospectus relates to the admission to trading and listing on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard) of the Shares.

The security codes of the Shares are as follows:

International Securities Identification Number: LU2818110020

Common Code: 281811002

4. Form of Shares

The Shares are in dematerialised form and are registered in a single securities issuance account maintained by Nasdaq CSD SE ("**Nasdaq CSD**"), as single settlement organisation in accordance with the Luxembourg law of 6 April 2013 on

dematerialised securities as amended (the “**Dematerialisation Law**”). The New Shares will be in dematerialised form and registered in a single securities issuance account maintained by Nasdaq CSD in accordance with the Dematerialisation Law and will be deposited on or around 14 October 2024 with, or on behalf of, Nasdaq CSD. Delivery of the Offer Shares is expected to take place through the book-entry facilities of Nasdaq CSD, against payment for the Offer Shares in immediately available funds.

5. References

Unless the context otherwise requires, references to “**we**”, “**our**”, “**us**”, “**Eleving**” or the “**Group**” refer to Eleving Group and its direct and indirect subsidiaries. Unless the context otherwise requires, references to the “**Issuer**” refer to Eleving Group.

Information posted on our website and those of our affiliates and subsidiaries do not constitute a part of this Prospectus.

6. Hyperlinks

The content of any website referred to in this Prospectus by hyperlinks is for information purposes only, does not form part of the Prospectus (with the exception of hyperlinks to the electronic addresses where information incorporated by reference is available) and has not been scrutinised or approved by the CSSF.

7. Forward-looking Statements

This Prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding the Issuer’s future financial position and results of operations, its strategy, plans, objectives, goals, targets and future developments in the countries in which it participates or is seeking to participate and any statements preceded by, followed by or that include the words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “aims”, “intends”, “will”, “may”, “plan”, “should” or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Issuer’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Certain forward looking statements may prove wrong, although being reasonable at present. Furthermore there are a lot of risks and uncertainties related to the Issuer’s business because of which a forward looking statement, estimate or forecast may prove wrong. Thus, the investors should urgently read the chapters “Summary”, “Risk Factors,” “Business”, “Information about the Issuer and the Group”, which contain a detailed explanation of the factors, which influence the business development of the Issuer and the market, in which the Issuer is active.

In consideration of the risks, uncertainties and assumptions the future events mentioned in the Prospectus may not occur.

Because the risk factors referred to in this Prospectus, and other factors, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus by the Issuer or on its behalf, the investors should not place any reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as at the date on which it is made, and the Issuer undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for the Issuer to predict which factors they will be. In addition, the Issuer cannot assess the effect of each factor on its business or the extent to which any factor,

or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements. The Issuer does not assume any obligation to update such forward looking statements or to adapt them to future events or developments unless required by law.

8. Third Party Information

In this Prospectus, the Issuer relies on and refers to information regarding the Group's business and the countries in which it operates and competes. Certain economic and industry data, market data and market forecasts set forth in this Prospectus were extracted from market research and industry publications. Where such third party data has been used in the Prospectus, the source of data is named.

Where information in this Prospectus has been specifically identified as having been extracted from third party documents, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer has no reason to believe that any of this information is inaccurate in any material respect, the Issuer has not independently verified the competitive position, market size, market growth or other data provided by third parties or by industry or other publications.

9. Presentation of Financial Information

The financial information of the Group set forth herein, has, unless otherwise indicated, been derived (i) from the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023 (the "**Issuer's Consolidated Financial Statements**") which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and (ii) from the six-month periods ended 30 June 2024 and 30 June 2023 derived from the unaudited interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (consisting of the consolidated condensed statements of comprehensive income, financial position and cash flows) prepared in accordance with Interim Financial Reporting (IAS 34).

The restatement of the comparative financial information as at and for the financial year ended 31 December 2022 in the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023 relates to misstated deferred tax assets and reclassification of the entity in Belarus as a discontinued operation as of the end of 2023. This resulted in change in Consolidated Statement of Profit and Loss and Other Comprehensive Income as well as in Consolidated Statement of Cash Flows as described in more detail in Note 20 "Discontinued Operations" to the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2023.

The restatement of the comparative financial information as at and for the financial year ended 31 December 2021 in the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2022 relates to the reclassification of comparative indicators in relation to the cancellation of the sale of a subsidiary in Estonia and the disposal of a subsidiary in Albania, as described in more detail in Note 2 "Summary of significant accounting policies" to the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2022. To further improve the readability of the Group's Consolidated Condensed Interim Financial Statements, as of 30 June 2024 the Group has decided to merge two items of its statement of financial position into one. Previously the Group split its receivables related to customer financing in two separate items based on legal

framework. The Group has recognized that such split of receivables does not show desired information, therefore it has decided to merge those receivables into one and disclose more significant information in Notes, respectfully showing the segregation of its financing receivables according to their risk profile and showing them in secured and unsecured portions.

Where financial information in the tables in the Prospectus is labeled “audited”, this means that it has been taken from the above mentioned audited consolidated financial statements. The label “unaudited” is used in the tables in the Prospectus to indicate financial information that was not taken from the above mentioned audited consolidated financial statements but has been taken either from the above mentioned unaudited condensed consolidated interim financial statements or the Issuer’s internal accounting and reporting system, or is based on calculations of financial information of the above mentioned sources.

Certain stated figures, financial information and market data (including percentages) given in this Prospectus have been rounded up or down pursuant to generally applicable commercial and business standards. It is therefore possible that not all total amounts (total sums or interim totals, differences or figures used as reference) contained within this Prospectus coincide completely with the underlying (non-rounded) individual amounts contained in other places or in documents incorporated by reference in this Prospectus. In addition, it is possible that these rounded figures in tables do not add up precisely to form the overall total sums in the respective tables.

10. Further Information Regarding this Prospectus

No person is authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Issuer.

The delivery of this Prospectus shall not, under any circumstances, create any implication

- (i) that the information in this Prospectus is correct as at any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended, or supplemented, or
- (ii) that there has been no adverse change in the affairs or the financial situation of the Issuer which is material in the context of the issue and sale of the Shares since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or
- (iii) that any other information supplied in connection with the issue of the Shares is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same,

as far as the Issuer has fulfilled its obligation to publish a supplement pursuant to Article 23 of the Prospectus Regulation.

The Shares are not suitable for all kinds of investors. Neither this Prospectus nor any other information supplied in connection with the Shares should be considered as a recommendation by the Issuer to an investor that such investor should purchase any Shares.

11. MiFID II Product Governance

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Shares, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II (as defined below) product governance requirements published by ESMA dated 5 February 2018, has led to the conclusion that: (i) the target market for the Shares is eligible counterparties, professional and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Shares are appropriate. Any person subsequently offering, selling or recommending the Shares (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Shares (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

12. Documents Available for Inspection

For at least 10 years after the publication of this Prospectus, Copies of the following documents may be inspected at the head office of the Issuer, 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, on weekdays from 9:00 am to 4:00 pm and will be available on the Issuer's website at <https://elevinq.com/investors/>:

- the Prospectus
(<https://elevinq.com/investors/>);
- the Issuer's up to date articles of association
(<https://elevinq.com/investors/>);
- the Issuer's up to date dividend distribution policy
(<https://elevinq.com/investors/>);
- the Issuer's audited consolidated financial statements as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021
(<https://elevinq.com/investors/>);
- the Issuer's unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2024
(<https://elevinq.com/investors/>).

In addition to the above, the Issuer's future consolidated annual and interim financial statements may be inspected at the head office of the Issuer, 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, on weekdays from 9:00 am to 4:00 pm and will be available on the Issuer's website at <https://elevinq.com/investors/>. Information on the Issuer's website and information accessible via the Issuer's website is neither part of nor incorporated by reference in this Prospectus.

In accordance with Article 461-8 of the Luxembourg Company Law, the audited consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 are also filed with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) and an extract is published in the Luxembourg central electronic platform of official publications for companies and associations (*Recueil Electronique des Sociétés et Associations*).

IV. REASONS FOR THE OFFERING, THE LISTING AND USE OF NET PROCEEDS

The key reason for the Offering, listing and admission to trading of the Shares on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard) is to achieve better access to the capital markets and use the capital raised to finance the development of the Group's business, continuing profitable growth and ensuring strong long-term financial health of the operations. The Issuer intends to issue New Shares (including potential Over-Allotment Shares) in the amount resulting in gross proceeds of up to EUR 30,000,000.

The Issuer will not receive any portion of the proceeds resulting from the sale of the Upsize Shares (assuming full exercise of the Upsize Option) by the Selling Shareholders in the Offering which are currently expected to be up to EUR 10,000,000.

Assuming that all Offer Shares are subscribed for and issued at the mid-point of the Offer Price Range, the net proceeds from the Offering attributable to:

- (i) the Issuer (after deduction of the expenses as set out below) are estimated to be up to EUR 27,000,000 (the "**Net Proceeds**"); and
- (ii) to the Selling Shareholders (after deduction of the expenses as set out below) are estimated to be up to EUR 10,000,000.

The Issuer intends to use up to EUR 12,900,000 of the Net Proceeds attributable to it to proceed with a full repayment of the Eleving Group Subordinated Bonds 2021/2031 which, as at 30 June 2024, have an outstanding principal amount of EUR 12,748,000. The Eleving Group Subordinated Bonds 2021/2031 will be subject to early voluntary redemption by the Issuer, as described in the terms and conditions of the bonds, which provide that the Issuer may redeem at least 5% of the current outstanding amount of the bonds in cash on any business day (any day on which banking institutions are open for business in Luxembourg and Riga and payments in Euro may be settled via the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET 2)) before the maturity date of the bonds, at a price per bond equal to 101% of the current outstanding amount.

The remaining up to EUR 14,100,000 of the Net Proceeds are intended to be used to develop the Group's business by, *inter alia*, launching new products in countries in which the Group currently operate and potentially expand across multiple channels in new countries, reduce financing costs and for general corporate purposes.

More specifically, the Net Proceeds will be used to fund the organic growth of established products in all existing countries, by unlocking new customers and advancing larger loan amounts to existing ones. Additionally it is expected that the Group will further develop its electric motorcycle products in Kenya and Uganda. As a reference, as at June 2024 the Group issues around 280 EV motorcycles per month, so the Net Proceeds would be used to issue at least 500 EV motorcycles per month by the end of 2024. At the same time, the Net Proceeds will be channeled to the potential development of new products such loans for SMEs (see also paragraph e. (*Key future product development*) Subsection 4 (*Products*), Section VIII (*Business*)).

Being a listed company is expected to increase strategic and financial flexibility of the Issuer by, among others, allowing it better access to capital markets. The listing will further provide an enhanced public profile of the Issuer and brand recognition.

Assuming that all Offer Shares are subscribed for, total expenses of the Offering, listing and admission to trading are expected to be approximately EUR 3,000,000. Only customary bank transaction fees and commissions for the transfer of the Upsize

Shares (assuming the exercise of the Upsize Option) will be borne by the Selling Shareholders, on a *pro rata* basis. All other fees and expenses related to the Offering will be borne by the Issuer.

The investors will not be charged by the Issuer or the Selling Shareholders any costs, expenses or taxes. Investors may, however, have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

V. CAPITALIZATION, INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

1. Issuer's Funding Policy

The Group's approach to fundraising is twofold. On the one hand, the Group acquires wholesale financing in the EUR currency, evidenced by the Eurobonds issued that serve as a backbone of the funding structure and provide mid- to long-term capital for the Group's multiple subsidiary businesses. This capital provides the company with the opportunity to execute goals and strategies across all countries.

On the other hand, the Group utilizes local currency funding, which helps avoid exposure to local currency potentially depreciating against the hard currency and operationally complex hedging solutions. In most cases, local currency funding is less expensive than the Group's funding when including hedging costs and other expenses. To execute local currency funding activities, the approach is multi-faced and depends on the country. The Group has already rolled out the local notes program, which is currently operational in Kenya and Botswana. Elevation Group is working on launching similar programs in a few other countries in 2024.

Another strategic channel is impact funds. Given the Group's solid footprint in the African region, several impact funds are interested in helping the business to make social impact by funding productive needs of the local community. In many cases, such funding comes with considerably lower funding costs, but at the same time, with strict environmental requirements, such as investments in EV vehicle space, surrounding infrastructure, and climate impact mitigation. This funding avenue aligns with the Group's long-term sustainability and responsible lending goals. As an example, in 2023, Elevation Group raised USD 7 million from the Verdant Capital Hybrid Fund for the Kenyan portfolio growth. Verdant Capital Hybrid Fund invests in companies that promote inclusive economic environments in African countries and aims to support financial institutions that work with SMEs and the self-employed segment, thereby creating new jobs and livelihood opportunities for economically vulnerable groups.

Furthermore, international investment funds are in the Group's focus, especially those actively investing and having a mandate to invest in emerging economies in Europe, Central Asia, and Africa. For this funding avenue, the main benefit is the investor's vast experience, local know-how, and presence on the ground. Given Elevation Group's expertise in the investment funds channels, the due diligence process in most cases is quicker and more straightforward, and the funders are more flexible to the local business funding needs and loan issuance peculiarities. In 2023, the foundations were laid for cooperation with ACP Credit, Central Europe's leading provider of financing solutions for middle-market businesses. As a result, in early 2024, Mogo Romania received an investment of EUR 10 million, making it the first time in the Group's history that a significant external funding partner outside the Mintos marketplace was brought to Mogo Romania.

The diversification of the funding structure and risks is also taking place through bank financing. Elevation Group is often chosen as a reliable partner given its history and track record in local economies. The Group typically raises bank funding in local currencies to mitigate FX risks and gain additional flexibility in its overall capital structure.

In addition to these funding sources, the Group works intensively with the largest pan-European lending platform, Mintos. This source of capital has a slightly higher cost than bonds, as it is more exposed to the most current market conditions; however, it allows the company the flexibility to raise capital as the actual need arises. At the end of June 2024, Mintos investors had active investments of EUR 62.7 million in Elevation Group products. Elevation Group has raised more than EUR 1.6 billion in total

investments since the launch of Mintos through the platform, establishing itself as one of the largest and most successful loan originators on Mintos.

To sum up, the fundraising strategy consists of a balanced approach towards the cost of capital (for the sustainability of the business), funding goals (impact on local communities, mobility improvement), and alignment of financing segments (responsible lending segments).

The Issuer's funding and treasury policy does not cover (i) the holding of currencies (i.e. currencies in which cash and cash equivalents are held); (ii) the rates of any borrowings; and (iii) currency hedging of the Issuer.

As can be seen from the audited financial report ended on 31 December 2023, the most significant foreign currency exposure comes from Armenia, Georgia, Moldova, Kenya, Uganda, and Uzbekistan, where the Issuer has evaluated potential hedging options, but due to the costs associated with it, has decided not to pursue hedging strategy for now and assume potential short to mid-term currency fluctuations with retaining potential upside from strengthening in those currencies. The Group has always operated with a forex loss being a legitimate and always present cost item that was adequately priced within each non-EUR country's product portfolio.

The Group has started to proactively manage the foreign currency exposure risk towards USD, since in several of Group's largest markets local loan portfolios are linked to USD. The proactive management of USD exposure can be observed by forward contract purchases that have started already in 2020 and continued to do so in 2021, 2022, 2023 and 2024.

Assets and liabilities exposed to foreign currencies fluctuation risk as at 31 December 2023 are disclosed in the consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023.

2. Capitalization and Indebtedness

The table below sets forth the consolidated capitalization of the Group as at 30 June 2024 on an actual historical basis. This table should be read in conjunction with "Reasons for the Offering, the Listing and Use of Net Proceeds", "Material Agreements", "Loans with Related Parties" and the consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 and the unaudited condensed consolidated interim financial statements of the Issuer as at and for the six-month period ended 30 June 2024 incorporated by reference in this Prospectus.

	As at 30 June 2024
	Unaudited
	(in million EUR)
Cash and cash equivalents	27.6
Debt	
Non-current subordinated borrowings	12.4
Non-current bonds	181.9
Non-current other borrowings	64.8
Non-current total debt	259.1
<i>Guaranteed secured</i>	246.7

<i>Guaranteed unsecured</i>	-
<i>Unguaranteed/unsecured</i>	12.4
Current total debt	76.2
<i>Guaranteed secured</i>	76.2
<i>Guaranteed unsecured</i>	-
<i>Unguaranteed/unsecured</i>	-
Total debt	335.3
Equity	
Share capital	1.0
Retained earnings/(losses)	52.6
Reserve	4.1
Foreign currency translation reserve	2.2
Share-based payments	0.1
Total equity attributable to equity holders of the parent company	60.0
Non-controlling interests	15.0
Total capitalization¹	410.3

The table below sets forth the indebtedness of the Group as at 30 June 2024 on an actual historical basis. This table should be read in conjunction with “*Reasons for the Offering, the Listing and Use of Net Proceeds*”, “*Material Agreements*”, “*Loans with Related Parties*” and the consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 and the unaudited condensed consolidated interim financial statements of the Issuer as at and for the six-month period ended 30 June 2024 incorporated by reference in this Prospectus.

		As at 30 June 2024
		Unaudited
		(in million EUR)
A	Cash	27.6
B	Cash equivalents	-
C	Other current financial assets	177.7
D	Liquidity (A + B + C)	205.3
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	0.2

¹ For the purposes of this Prospectus, the Total capitalization is the sum of (i) Non-current borrowings (EUR 259.1 million), (ii) Current borrowings (EUR 76.2 million) and (iii) Total equity (EUR 75.0 million) as presented in the Issuer’s unaudited consolidated results for the six months ended 30 June 2024.

F	Current portion of non-current financial debt	76.2
G	Current financial indebtedness (E + F)	76.3
H	Net current financial indebtedness (G - D)	(129.0)
I	Non-current financial debt (excluding current portion and debt instruments)	259.1
J	Debt instruments	-
K	Non-current trade and other payables	-
L	Non-current financial indebtedness (I + J + K)	259.1
M	Total financial indebtedness (H + L)	130.1

There have been no material changes in the Group's consolidated capitalization or indebtedness since 30 June 2024.

For any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations please see Section "*Indirect and Contingent Indebtedness*" below.

3. Capital Resources

The Group's principal source of liquidity is expected to be cash generated from operations and cash flows from financing activities. In addition, the Group seeks to reduce liquidity and refinancing risks by maintaining a diversified maturity profile in its loan portfolio. The Group observes a prudent policy for managing liquidity risk and secures access to appropriate amounts of cash and cash equivalents or credit resources to be able to meet its liabilities as they fall due.

The Group primarily holds its cash in EUR.

As at 30 June 2024, the Group's borrowings aggregated EUR 335.3 million. The Group believes that its positive cash flow from operating activities will be sufficient to meet its liquidity requirements for the foreseeable future. Total long-term debt of the Group was EUR 259.1 million and the total short-term borrowings of the Group was EUR 76.2 million.

The Group aims to manage capital to ensure that the Group can continue to operate as a going concern. The Group's ability to generate cash flow from operations depends on its future operating performance, which is in turn dependent on general economic, financial, market and other factors, many of which are beyond its control.

4. Lease Liabilities

As at 30 June 2024, current financial debt includes current lease liabilities of the Group amounting to EUR 4.6 million and non-current financial debt includes non-current lease liabilities of the Group amounting to EUR 8.2 million.

5. Indirect and Contingent Indebtedness

Externally imposed regulatory capital requirements

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

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

Albania

The acquired license for the performance of financing activities requires that an equity amount not lower than 10% of the total assets of the entity is maintained at all times. The management of the Group monitors and increases the share capital if needed to satisfy this requirement.

Armenia

The acquired license for the performance of financing activities requires:

- 1) maintenance of a minimum statutory capital amount of 150 million AMD;
- 2) maintenance of a minimum total capital amount of 150 million AMD;
- 3) maintenance of a minimum ratio of amounts of total capital and risk-weighted assets at 10%.

The management of the Group monitors and increases the share capital if needed to satisfy these requirements.

Romania

The acquired license for the performance of financing activities requires that the level of equity is not less than the company's finance receivables portfolio divided 15 times. The management of the Group monitors and increases the share capital or issues subordinated loans if needed to satisfy this requirement.

North Macedonia

The acquired license for the performance of financing activities requires that the loan portfolio limit is set at the amount of ten times the share capital.

Moldova

A non-bank financial institution is required to hold and maintain a share capital in the minimum amount of 5.00% of the value of its assets.

Botswana

In terms of Regulation 6 of the Micro-Lending Regulations, any person applying to carry on a business as a micro lender shall have and maintain at all times a minimum financial balance of P20,000 (twenty thousand Pula).

Cooperation agreement with P2P platforms

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

The Group is subject to additional financial covenants relating to the funding obtained through P2P platforms. The management of the Group is regularly monitoring the relevant indicators and ensuring that the covenants are satisfied.

Eleving Group S.A. bonds

There are restrictions in the respective terms and conditions for the Eleving Group Bonds 2021/2026 (ISIN XS2393240887) (as defined below) and Eleving Group Bonds 2023/2028 (DE000A3LL7M4) (as defined below) issued by the Issuer and listed, *inter alia*, on the Frankfurt Stock Exchange's Regulated Market. These financial covenants are the following:

- a) the interest coverage ratio for the relevant period is at least 1.25x;
- b) the capitalization ratio for the relevant period is at least 15%; and
- c) the consolidated net leverage ratio for the relevant period does not exceed 6.00x.

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

Other contingent liabilities and commitments

- 1) Starting from 14 October 2021 Eleving Group and certain of its Subsidiaries entered into several pledge agreements with TMF Trustee Services GmbH, establishing pledge over shares of those Subsidiaries, pledge over present and future loan receivables of those Subsidiaries, pledge over trademarks of those Subsidiaries, general business pledge over those Subsidiaries, pledge over primary bank accounts if feasible, in order to secure Eleving Group obligations towards bondholders deriving from Eleving Group Bonds 2021/2026 (ISIN XS2393240887) (as defined below). Subsequently additional pledgors were added who became material (subsidiaries with net portfolio of more than EUR 7,500,000.00 which represents at least 3% of the Net Loan Portfolio) according to terms and conditions of the bonds.
- 2) Starting from 14 October 2021 Eleving Group as Issuer and certain of its Subsidiaries (subsidiaries with net portfolio of more than EUR 7,500,000.00 which represents at least 3% of the Net Loan Portfolio) as guarantors have entered into a guarantee agreement dated 14 October 2021 (as amended and restated from time to time) according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group Bonds 2021/2026 (ISIN XS2393240887) (as defined below) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group Bonds 2021/2026 (ISIN XS2393240887) (as defined below) offering memorandum.
- 3) On 31 July 2019 the subsidiary in Latvia mogo AS entered into a commercial pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between mogo AS and its clients, to secure mogo AS, Primero Finance OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.
- 4) On 9 August 2019 the subsidiary in Estonia Primero Finance OÜ entered into a claims pledge agreement with Citadele banka AS, establishing a pledge over all present and future claims arising from certain agreements concluded between Primero Finance OÜ and its clients, to secure mogo AS, Primero Finance OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.
- 5) On 9 September 2019 the subsidiary in Lithuania UAB mogo LT entered into a contractual pledge agreement with Citadele banka AS, establishing a pledge over rights of claim arising from certain agreements concluded between UAB mogo LT and its clients, to secure mogo AS, Primero Finance OÜ and UAB mogo LT obligations towards Citadele banka AS deriving from the Credit line agreement dated 8 July 2019.
- 6) On 22 July 2020 O.C.N. Sebo Credit issued guarantee favour of private individual Tamara Paun to secure repayment of the loan issued by Tamara Paun to Rodica Paun. The loan was used to provide a subordinated loan to O.C.N. Sebo Credit.

- 7) On 26 January 2021 Elevation Group S.A. signed a guarantee whereby Elevation Group S.A. undertook to guarantee the fulfilment of AS Mogo obligations towards its creditors under AS Mogo Bonds (ISIN: LV0000802452) and their Terms and Conditions.
- 8) The Group has signed Covenant Agreements with P2P platform companies AS Mintos Marketplace and Mintos Finance OU according to which the Group secures P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations. The claims are limited by amounts borrowed by each subsidiary.
- 9) The Group has signed Guarantee Agreements with P2P platform companies AS Mintos Marketplace, SIA Mintos Finance No.1 and Mintos Finance Estonia OU according to which the Group secures P2P platform's claims towards the subsidiaries if certain subsidiaries cooperating with P2P platform fail to perform their obligations. The claims are limited by amounts borrowed by each subsidiary.
- 10) Certain subsidiaries of the Group have entered into commercial pledge agreements with SIA Mintos Finance No.1 and/or Mintos Finance Estonia OU, in order to secure those Group subsidiary obligations towards AS Mintos Marketplace, SIA Mintos Finance No.1 and Mintos Finance Estonia OU deriving from cooperation agreements entered into between the respective subsidiary and AS Mintos Marketplace, SIA Mintos Finance No.1 and/or Mintos Finance Estonia OU.
- 11) The Group has signed a Guarantee Agreement with AS Citadele Banka according to which the Group secures AS Mogo, Primero Finance OU, and UAB Mogo LT liabilities towards AS Citadele Banka under Credit Line Agreement entered into with AS Citadele Banka on 8 July 2019 (as amended from time to time).
- 12) The Group's subsidiaries AS Renti (Latvia) and UAB Renti LT (Lithuania) have entered into commercial pledge agreements and guarantee agreements with AS Citadele Banka in order to secure AS Mogo, Primero Finance OU and UAB Mogo LT liabilities towards AS Citadele Banka under Credit Line Agreement entered into with AS Citadele Banka on 8 July 2019 (as amended from time to time).
- 13) The Group's subsidiary AS Elevation Vehicle Finance (Latvia) has entered into a put option agreement with Ropat Trust Company Limited according to which AS Elevation Vehicle Finance undertakes to purchase Mogo Auto Limited (Kenya) secured revolving loan notes up to two billion Kenya Shillings in case of default of Mogo Auto Limited under the terms and conditions of the short term notes programme and Mogo Auto Limited (Kenya) secured revolving loan notes up to two billion Kenya Shillings in case of default of Mogo Auto Limited under the terms and conditions of the medium term notes program.
- 14) The Group's subsidiary AS Elevation Stella (Latvia) has entered into a guarantee agreement with SIA Citadele Leasing in order to secure SIA Citadele Leasing claims towards AS Renti under several financial leasing agreements entered between AS Renti and SIA Citadele Leasing.
- 15) The Group's subsidiary Mogo Auto Limited (Kenya) has entered into a deed of assignment and Ropat Trust Company Limited (acting on behalf of the noteholders) in order to secure Mogo Auto Limited (Kenya) liabilities towards the noteholders under the terms and conditions of Mogo Auto Limited (Kenya) secured revolving short term notes and medium term notes programs.

- 16) Eleving Group has provided a guarantee to VERDANT CAPITAL HYBRID FUND I GMBH & CO. KG with the aim to secure punctual performance by Mogo Auto Limited (Kenya) of all Mogo Auto Limited (Kenya) obligations under the Finance Documents relating to USD 7,000,000 loan facility provided by VERDANT CAPITAL HYBRID FUND I GMBH & CO.
- 17) Mogo Auto Limited has entered into an account charge agreement creating a security interest over the accounts of Mogo Auto Limited and a fixed and floating charge agreement creating a security interest over specified receivable assets of Mogo Auto Limited in order to secure Mogo Auto Limited (Kenya) obligations under the Finance Documents relating to USD 7,000,000 loan facility provided by VERDANT CAPITAL HYBRID FUND I GMBH & CO.
- 18) The Group's subsidiary AS Eleving Vehicle Finance (Latvia) has entered into a guarantee agreement with AS Industra Bank according to which AS Eleving Vehicle Finance guarantees SIA Spaceship loan liabilities against AS Industra Bank in the total amount of for EUR 918 825,00.
- 19) On 30 March 2023 Express Credit Cash Advance (Proprietary) Limited, registered in Namibia, has entered into Pledge and Cession Agreement (Account Pledge) establishing a pledge over the funds in the bank accounts of Express Credit Cash Advance (proprietary) Limited, and in Cession in Security agreement ceding the rights over Loan book and insurance, in favour of trustees of Private Capital Trust, in order to secure Express Credit Cash Advance (Proprietary) Limited obligations towards Private Capital Trust trustees deriving from Loan Agreement dated 30 March 2023.
- 20) On 6 May 2022 ExpressCredit (Pty) Limited, registered in Botswana, has signed Cession in Security Agreement No. LVMM/06-07-2021-125 with P2P platform company SIA Mintos Finance No. 8, ceding the rights over loan agreement portfolio (loan agreements entered into between ExpressCredit (Pty) Limited and its customers, book debts and loan receivables) to ensure timely and proper performance of obligations by ExpressCredit (Pty) Limited towards SIA Mintos Finance No. 8 derived from Cooperation Agreement dated 6 May 2022.
- 21) On 22 December 2021 ExpressCredit (Pty) Limited, registered in Botswana, has entered into Cession in Security agreement with Norsad Finance Limited, ceding the rights over book debts to ensure timely and proper performance of obligations by ExpressCredit (Pty) Limited towards Norsad Finance Limited derived from the Credit Facility Agreement dated 20 December 2020. In addition, with the Credit Facility Agreement simultaneously is also guarantee established by YesCash Group Limited (now – Eleving Consumer Finance Mauritius Ltd) to ensure proper performance of obligations by ExpressCredit (Pty) Limited in favour of Norsad Finance Limited.
- 22) Starting from 31 October 2023 Eleving Group and certain of its Subsidiaries entered into several pledge agreements with TMF Trustee Services GmbH, establishing pledge over shares of those Subsidiaries, pledge over present and future loan receivables of those Subsidiaries, pledge over trademarks of those Subsidiaries, general business pledge over those Subsidiaries, pledge over primary bank accounts if feasible, in order to secure Eleving Group obligations towards bondholders deriving from the Eleving Group Bonds 2023/2028 (DE000A3LL7M4) (as defined below).
- 23) Starting from 31 October 2023 Eleving Group as Issuer and certain of its Subsidiaries (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) as Guarantors have entered

into a guarantee agreement dated 31 October 2023 according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group Bonds 2023/2028 (DE000A3LL7M4) (as defined below) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group Bonds 2023/2028 (DE000A3LL7M4) (as defined below).

- 24) On 18 December 2023 ACP CREDIT I SCA SICAV-RAIF has made available to MOGO IFN S.A. (Romania) a facility amounting to EUR 10,000,000. The ACP Facility has a 48-months maturity with an amortised loan repayment schedule and carries an interest rate of 11.6% in the first year, 10.8% in second year and 8% + 3 months EURIBOR thereafter. The ACP Facility is secured with a movable mortgage on loan receivables and separate bank account of MOGO IFN S.A. (Romania), a commercial pledge over AS Eleving Stella subordinated loan receivables from MOGO IFN S.A. (Romania) and a guarantee from AS Eleving Vehicle Finance.

6. Secured and Guaranteed Liabilities

The only secured and guaranteed liabilities of the Issuer are the Eleving Group Bonds 2021/2026 (ISIN XS2393240887) (as defined below) and Eleving Group Bonds 2023/2028 (DE000A3LL7M4) (as defined below).

Eleving Group Bonds 2021/2026 (ISIN XS2393240887)

The bonds are unconditionally and irrevocably guaranteed on a joint and several basis pursuant to a Luxembourg law governed guarantee agreement, by the guarantors (as listed below):

- (i) AS “mogo” (Latvia)
- (ii) Primero Finance OÜ (previously “mogo OÜ”) (Estonia)
- (iii) UAB “mogo LT” (Lithuania)
- (iv) Mogo LLC (Georgia)
- (v) Mogo IFN SA (Romania)
- (vi) O.C.N. “MOGO LOANS” S.R.L. (Moldova)
- (vii) MOGO Universal Credit Organization LLC (Armenia)
- (viii) AS Renti (Latvia)
- (ix) OCN SEBO CREDIT SRL (Moldova)
- (x) ECFA Shpk (formerly Kredo Finance Shpk) (Albania)
- (xi) Finance Company FINTEK DOO Skopje (formerly known as Finance Company TIGO FINANCE DOOEL Skopje) (North Macedonia)
- (xii) AS Eleving Solis (previously “AS Mogo Africa”) (Latvia)

The bonds are further secured by local law transaction securities granted by the Issuer and the following direct and indirect subsidiaries of the Issuer: AS Eleving Stella (Latvia), AS “mogo” (Latvia), AS Renti (Latvia), AS Eleving Luna (Latvia), Primero Finance OÜ (Estonia), UAB “mogo LT” (Lithuania), Mogo LLC (Georgia), MOGO Universal Credit Organization LLC (Armenia), Mogo IFN SA (Romania), O.C.N. “MOGO LOANS” S.R.L. (Moldova), AS Eleving Consumer Finance (Latvia), OCN SEBO CREDIT SRL (Moldova), AS Eleving Finance (Latvia), Finance Company FINTEK DOO Skopje (formerly known as Finance Company TIGO FINANCE DOOEL Skopje) (North Macedonia), AS Eleving Consumer Finance Holding (Latvia), ECFA

Shpk (formerly Kreda Finance Shpk) (*Albania*), and AS Eleving Vehicle Finance (*Latvia*).

The transaction securities comprise (i) a Latvian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Stella (previously AS Mogo Eastern Europe) and AS Eleving Luna in AS “mogo” (Latvia); (ii) a Latvian law governed receivables pledge agreement creating a first ranking pledge over present and future loan granted by AS “mogo” (Latvia); (iii) a Latvian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by AS “mogo” (Latvia) and registered in Latvia, (iv) a Latvian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS “mogo” in AS Renti (Latvia), (v) a Latvian law governed receivables pledge agreement creating a first ranking pledge over present and future receivables granted by AS Renti (Latvia), (vi) a Latvian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by AS Renti (Latvia) and registered in Latvia, (vii) a Latvian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Vehicle Finance (Latvia) in AS Eleving Solis (previously “AS Mogo Africa”), (viii) an Estonian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Luna (previously AS Mogo Baltics and Caucasus) in Primero Finance OÜ (previously “mogo OÜ”) (Estonia), (ix) an Estonian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by Primero Finance OÜ (previously “mogo OÜ”) (Estonia), (x) an Estonian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Primero Finance OÜ (previously “mogo OÜ”) (Estonia) and registered in Estonia, (xi) an Estonian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by Primero Finance OÜ (previously “mogo OÜ”) (Estonia), (xii) a Lithuanian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Stella (previously AS Mogo Eastern Europe) in UAB “mogo LT” (Lithuania), (xiii) a Lithuanian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by UAB “mogo LT” (Lithuania), (xiv) a Lithuanian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by UAB “mogo LT” (Lithuania) and registered in Lithuania, (xv) a Lithuanian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by UAB “mogo LT” (Lithuania), (xvi) a Georgian law governed share pledge agreement creating a first ranking pledge over all the ownership interests directly and indirectly held by AS Eleving Luna (previously AS Mogo Baltics and Caucasus) in Mogo LLC (Georgia), (xvii) a Georgian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Mogo LLC (Georgia) and registered in Georgia, (xviii) a Georgian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by Mogo LLC (Georgia), (xix) an Armenian law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Luna (previously AS Mogo Baltics and Caucasus) in MOGO Universal Credit Organization LLC (Armenia), (xx) a Romanian law governed movable hypothec agreement creating a first ranking general pledge over (a) any and all present and future primary bank accounts of Mogo IFN SA (Romania), and cash held therein, (b) present and future loan receivables granted by Mogo IFN SA (Romania) granted by Mogo IFN SA (Romania), and (c) any and all current and future intellectual property held by Mogo IFN SA (Romania), (xxi) a Romanian law governed movable hypothec agreement over shares creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Stella (previously AS Mogo Eastern Europe) in Mogo IFN SA (Romania), (xxii) a Moldovan

law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Stella (previously AS Mogo Eastern Europe) in O.C.N. “MOGO LOANS” S.R.L. (Moldova), (xxiii) a Moldovan law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by O.C.N. “MOGO LOANS” S.R.L. (Moldova) and registered in Moldova, (xxiv) a Moldovan law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by O.C.N. “MOGO LOANS” S.R.L. (Moldova), (xxv) a Moldovan law governed share pledge agreement creating a first ranking pledge over all the shares directly and indirectly held by AS Eleving Consumer Finance in OCN SEBO CREDIT SRL (Moldova), (xxvi) a Moldovan law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by OCN SEBO CREDIT SRL (Moldova) and registered in Moldova, (xxvii) a Moldovan law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by OCN SEBO CREDIT SRL (Moldova), (, (xxiii) a North Macedonian law governed share pledge agreement creating first ranking pledge over all the shares directly and indirectly held by AS Eleving Consumer Finance Holding in Finance Company FINTEK DOO Skopje (formerly known as Finance Company TIGO FINANCE DOOEL Skopje) (North Macedonia), (xxix) a North Macedonian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by Finance Company FINTEK DOO Skopje (formerly known as Finance Company TIGO FINANCE DOOEL Skopje (North Macedonia) and registered in North Macedonia, (xxx) an Albanian law governed share pledge agreement creating first ranking pledge over all the shares directly and indirectly held by AS Eleving Consumer Finance Holding in ECFA Shpk (formerly Kredo Finance Shpk) (Albania), (xxxi) an Albanian law governed trademark pledge agreement creating a first ranking pledge over all trademarks owned by ECFA Shpk (formerly Kredo Finance Shpk) (Albania) and registered in Albania, (xxxii) an Albanian law governed bank account pledge agreement creating a first ranking pledge over primary bank accounts owned by ECFA Shpk (formerly Kredo Finance Shpk) (Albania), (xxxiii) Luxembourg law governed receivables pledge agreement creating a first ranking pledge over loan receivables with respect to certain loans made by the Issuer

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The bonds are unconditionally and irrevocably guaranteed on a joint and several basis pursuant to a Luxembourg law governed guarantee agreement, by the guarantors (as listed below):

- (i) AS “mogo” (Latvia)
- (ii) Primero Finance OÜ (previously “mogo OÜ”) (Estonia)
- (iii) UAB “mogo LT” (Lithuania)
- (iv) Mogo LLC (Georgia)
- (v) Mogo IFN SA (Romania)
- (vi) O.C.N. “MOGO LOANS” S.R.L. (Moldova)
- (vii) MOGO Universal Credit Organization LLC (Armenia)
- (viii) AS Renti (Latvia)
- (ix) OCN SEBO CREDIT SRL (Moldova)
- (x) ECFA Shpk (formerly Kredo Finance Shpk) (Albania)
- (xi) Finance Company FINTEK DOO Skopje (formerly known as Finance Company TIGO FINANCE DOOEL Skopje) (North Macedonia)
- (xii) AS Eleving Solis (previously “AS Mogo Africa”) (Latvia)

The bonds are further secured by local law transaction securities granted by the Issuer and the following direct and indirect subsidiaries of the Issuer: Mogo LLC (Georgia) and MOGO Universal Credit Organization LLC (Armenia).

The transaction securities comprise (A) a Georgian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by Mogo LLC (Georgia); (B) a Georgian law governed share pledge agreement creating a second ranking pledge over all the ownership interests directly and indirectly held by AS Eleveling Luna in Mogo LLC (Georgia); (C) a Georgian law governed trademark pledge agreement creating a second ranking pledge over all trademarks owned by Mogo LLC (Georgia); (D) a Georgian law governed bank account pledge agreement creating a second ranking pledge over primary bank accounts owned by Mogo LLC (Georgia); (E) an Armenian law governed receivables pledge agreement creating a first ranking pledge over present and future loan receivables granted by MOGO Universal Credit Organization LLC (Armenia); and (F) an Armenian law governed share pledge agreement creating a second ranking pledge over all the shares directly and indirectly held by AS Eleveling Luna in MOGO Universal Credit Organization LLC (Armenia).

7. Floating Rate Instruments

The Group is exposed to floating interest rates through the Eleveling Group Subordinated Bonds 2021/2031 which carry a coupon of 12% plus 6 month EURIBOR, the floating coupon notes in Kenya, as well as several bank loan facilities, all of which together form a small percentage (below 25%) of total Group's borrowings. The Group has not entered into any hedging arrangements and is confident that its revenue will be sufficient to cover the increased borrowings costs from its floating rate obligations (See also Liquidity Risk, under SECTION XIII (*Significant Risk Management*), Subsection 2 (*Risk Management Process*), Paragraph a (*Financial Risk*)).

8. Restriction to Upstream of Distributions

In Latvia, Georgia and Estonia a dividend payout would trigger corporate income tax which otherwise would not be calculated or paid. In case a subsidiary located in one of these three countries chooses to distribute dividends to the Issuer, a corporate income tax will need to be calculated and settled. Additionally, there are capital controls in Ukraine which, however, should not and are not expected to impact the Issuer's ability to meet its cash obligations.

There are no other material legal or economic restrictions on the ability of the subsidiaries to transfer funds to the Issuer, which could have material impact on the Issuer to meet its obligations.

There are no material legal or economic restrictions on the ability of subsidiaries to transfer funds to the Issuer in the form of cash dividends, loans or advances.

Any legal or economic restrictions have not had or are not expected to have an impact on the ability of the Issuer to meet its cash obligations.

9. Statement on Working Capital

In the Issuer's opinion, its working capital is sufficient to meet the Group's present requirements over at least the next twelve months from the date of this Prospectus.

10. Borrowing Requirements and Funding Structure

For Borrowing Requirements and Funding Structure please see Section "*Capitalization and Indebtedness*" above.

VI. SELECTED FINANCIAL INFORMATION AND OPERATING DATA

As at the date of this Prospectus, the parent company of the Group is the Issuer.

The selected consolidated financial information set forth below should be read in conjunction with the respective documents incorporated by reference in this Prospectus.

The tables below present key selected consolidated financial information for the Group as at and for (i) the financial years ended 31 December 2023, 31 December 2022 (as restated in the financial statements for the financial years ended 31 December 2023) and 31 December 2021 derived from the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2023 and as at and for the financial year ended 31 December 2022 (including restated comparative financial information for the financial year ended 31 December 2021) and (ii) the six-month periods ended 30 June 2024 and 30 June 2023 derived from the unaudited interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (consisting of the consolidated condensed statements of comprehensive income, financial position and cash flows) prepared in accordance with Interim Financial Reporting (IAS 34).

The restatement of the comparative financial information as at and for the financial year ended 31 December 2022 in the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023 relates to misstated deferred tax assets and reclassification of the entity in Belarus as a discontinued operation as of the end of 2023. This resulted in change in Consolidated Statement of Profit and Loss and Other Comprehensive Income as well as in Consolidated Statement of Cash Flows as described in more detail in Note 20 "Discontinued Operations" to the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2023.

The restatement of the comparative financial information as at and for the financial year ended 31 December 2021 in the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2022 relates to the reclassification of comparative indicators in relation to the cancellation of the sale of a subsidiary in Estonia and the disposal of a subsidiary in Albania, as described in more detail in Note 2 "Summary of significant accounting policies" to the Issuer's audited consolidated financial statements as at and for the financial year ended 31 December 2022. The comparative financial information as at and for the financial year ended 31 December 2021, before the reclassification and restatement, is shown below in Section 10. "*Restatement of 2021 Financial Statements*".

To further improve the readability of the Group's Consolidated Condensed Interim Financial Statements, the Group has decided to merge two items of its statement of financial position into one. Previously the Group split its receivables related to customer financing in two separate items based on legal framework. The Group has recognized that such split of receivables does not show desired information, therefore it has decided to merge those receivables into one and disclose more significant information in Notes, respectfully showing the segregation of its financing receivables according to their risk profile and showing them in secured and unsecured portions.

The financial information, with respect to the APMs (as defined below) set forth herein, has, unless otherwise indicated, been derived from the audited financial statements of the Issuer for the financial year ended 31 December 2023 and the unaudited financial statements of the Issuer for each respective six-month period ended 30 June 2024 and ended 30 June 2023, the Issuer's internal accounting and reporting system, prepared in accordance with IFRS as adopted by the European Union and Interim Financial

Reporting (IAS 34), as the case may be, and have been calculated based on financial information from the aforementioned sources.

Where financial information is labelled as “audited”, this means that it has been taken from the above mentioned audited consolidated financial statements of the Issuer. Financial information labelled as "unaudited" has been taken or derived from the above mentioned unaudited condensed consolidated interim financial statements, from the Issuer’s internal accounting and reporting system or is based on calculations of figures from the sources mentioned before.

1. Selected Consolidated Statement of Comprehensive Income

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Interest revenue	176.3	162.5	132.3	95.1	78.5
Net interest income	138.8	131.4	104.5	74.5	61.2
Net profit for the period/year	24.5	18.6	7.1	15.4	12.3
Total profit and loss for the period/year	19.9	23.5	9.7	17.3	9.8

2. Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Continuing operations					
Interest revenue	176.3	162.5	132.3	95.1	78.5
Interest expense	(37.5)	(31.1)	(27.8)	(20.6)	(17.3)
Net interest income	138.8	131.4	104.5	74.5	61.2
Fee and commission income related to finance lease activities	9.0	7.7	7.1	5.1	3.7
Impairment expense	(39.8)	(43.3)	(41.2)	(16.8)	(16.3)

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	1.2	2.0	3.8	0.9	(0.3)
Bonds refinancing expense	-	-	(5.7)	-	-
Expenses related to peer-to-peer platform services	(1.0)	(0.9)	(1.0)	(0.5)	(0.5)
Revenue from leases	4.1	5.4	6.5	1.8	2.2
Revenue from car sales and other goods	1.9	0.2	0.1	2.8	0.5
Expenses from car sales and other goods	(1.8)	(0.2)	(0.1)	(2.6)	(0.5)
Selling expense	(6.4)	(7.8)	(8.1)	(3.5)	(3.1)
Administrative expense	(63.2)	(57.3)	(48.7)	(36.2)	(28.4)
Other operating income	2.4	1.3	0.8	0.9	0.8
Other operating expense	(10.1)	(9.7)	(6.3)	(5.3)	(4.2)
Net foreign exchange result	(6.4)	(7.4)	(0.2)	(2.3)	(1.0)
Profit before tax	28.5	21.5	11.5	19.0	14.1
Corporate income tax	(8.3)	(9.0)	(6.3)	(4.8)	(5.3)
Deferred corporate income tax	1.8	2.2	1.0	0.3	2.5
Profit from continuing operations	21.9	14.6	6.2	14.6	11.4
Discontinued operations					
Profit from discontinued operation, net of tax	2.5	4.0	0.9	0.8	0.9
Profit for the period	24.5	18.6	7.1	15.4	12.3
Other comprehensive income/(loss)					
Translation of financial information of foreign operations to presentation currency	(4.6)	4.9	2.5	1.9	(2.5)

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
		(Audited)		(Unaudited)	
	(in million EUR)				
Other comprehensive income/(loss)	(4.6)	4.9	2.5	1.9	(2.5)
Total profit and loss for the period	19.9	23.5	9.7	17.3	9.8
Profit is attributable to equity holders of the parent company	20.1	15.3	2.1	12.1	9.8
Profit is attributable to non-controlling interests	4.4	3.3	5.0	3.3	2.4
Net profit for the period	24.5	18.6	7.1	15.4	12.3
Other comprehensive income/(loss) is attributable to equity holders of the parent company	(4.4)	4.7	2.5	1.6	(2.4)
Other comprehensive income/(loss) is attributable to non-controlling interests	(0.2)	0.2	0.1	0.2	(0.1)
Other comprehensive income/(loss) for the period	(4.6)	4.9	2.5	1.9	(2.5)

3. Selected Consolidated Statement of Financial Position

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 30 June 2024	As at 30 June 2023
		(Audited)		(Unaudited)	
	(in million EUR)				
Total assets	421.3	361.1	322.1	436.1	378.7
Total equity	65.4	54.1	31.4	75.0	58.7
Total equity and liabilities	421.3	361.1	322.1	436.1	378.7

4. Consolidated Statement of Financial Position

	As at 31 December 2023	As at 31 December 2022 (Audited)	As at 31 December 2021	As at 30 June 2024	As at 30 June 2023 (Unaudited)
	(in million EUR)				
Assets					
Non-Current Assets					
Intangible assets					
Goodwill	6.8	4.7	4.7	6.8	4.7
Internally generated intangible assets	10.3	8.6	7.5	11.0	8.8
Other intangible assets	5.4	2.4	2.7	5.4	2.3
Total intangible assets	22.5	15.7	14.9	23.3	15.8
Tangible assets					
Right-of-use assets	10.6	9.9	9.2	11.6	10.3
Rental fleet	7.1	10.0	10.7	6.3	10.3
Property, plant and equipment	2.1	2.2	2.5	2.3	1.9
Leasehold improvements	0.8	0.6	0.6	0.9	0.5
Total tangible assets	20.5	22.7	23.0	21.1	23.0
Non-current financial assets					
Finance lease receivables	59.8	72.1	69.9	-	-
Loans and advances to customers	95.1	67.8	57.0	172.2	141.1
Loans to related parties	-	3.2	3.5	-	3.3
Equity-accounted investees	0.6	0.4	0.1	0.2	0.3
Other loans and receivables	0.2	0.3	0.7	0.0	0.0
Deferred tax asset	8.9	5.3	2.8	10.3	7.3
Total non-current financial assets	164.5	149.1	134.1	182.6	152.0

	As at 31 December 2023	As at 31 December 2022 (Audited)	As at 31 December 2021	As at 30 June 2024	As at 30 June 2023 (Unaudited)
				(in million EUR)	
Total non-current assets	207.5	187.5	172.1	227.0	190.8
Current Assets					
Inventories					
Finished goods and goods for resale	4.8	2.5	3.8	2.9	7.3
Total inventories	4.8	2.5	3.8	2.9	7.3
Receivables and other current assets					
Finance lease receivables	52.2	61.9	50.2	-	-
Loans and advances to customers	106.1	81.1	69.0	164.1	132.4
Loans to related parties	-	-	2.7	-	-
Other loans and receivables	0.2	0.7	2.2	0.2	0.7
Prepaid expense	3.1	2.1	1.7	3.5	1.9
Trade receivables	1.6	2.7	3.6	1.2	2.1
Other receivables	8.3	7.3	3.2	8.8	11.4
Cash and cash equivalents	27.5	13.8	10.3	27.6	17.8
Total receivables and other current assets	199.0	169.6	142.8	205.3	166.4
Assets of subsidiaries held for sale or under liquidation	9.6	0.4	1.0	0.1	13.0
Assets held for sale	0.5	1.1	2.4	0.8	1.3
Total assets held for sale	10.0	1.5	3.4	0.9	14.2
Total current assets	213.8	173.6	150.0	209.1	187.9
Total assets	421.3	361.1	322.1	436.1	378.7
Equity and Liabilities					
Equity					
Share capital	1.0	1.0	1.0	1.0	1.0
Reserve	4.3	1.1	0.8	4.1	1.3

	As at 31 December 2023	As at 31 December 2022 (Audited)	As at 31 December 2021	As at 30 June 2024	As at 30 June 2023 (Unaudited)
	(in million EUR)				
Foreign currency translation reserve	0.5	4.9	0.2	2.2	2.5
Retained earnings brought forward for the period	47.8	38.2	22.3	52.6	42.7
	27.7	22.9	20.2	40.5	32.9
	20.1	15.3	2.1	12.1	9.8
Total equity attributable to equity holders of the parent company	53.6	45.2	24.3	60.0	47.6
Non-controlling interests	11.8	8.9	7.1	15.0	11.2
Total equity	65.4	54.1	31.4	75.0	58.7
Liabilities					
Non-current liabilities					
Borrowings	225.9	212.7	233.9	246.7	210.2
Subordinated Borrowings	16.5	18.5	-	12.4	18.4
Total non-current liabilities	242.4	231.2	233.9	259.1	228.6
Provisions	0.2	0.2	0.1	0.0	0.2
Total provisions for liabilities and charges	0.2	0.2	0.1	0.0	0.2
Current liabilities					
Borrowings	96.2	60.1	39.8	76.2	70.5
Liabilities associated with the assets held for sale or under liquidation	2.0	0.1	0.2	0.0	2.5
Prepayments and other payments received from customers	1.1	0.5	0.9	1.0	0.7
Trade and other payables	2.2	1.6	2.7	1.9	1.1
Current corporate income tax payable	0.7	3.9	3.7	2.4	6.4
Taxes payable	3.4	2.4	1.9	4.0	3.3
Other liabilities	1.9	2.0	0.9	10.3	2.3

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 30 June 2024	As at 30 June 2023
		(Audited)		(Unaudited)	
	(in million EUR)				
Accrued liabilities	5.8	5.0	4.3	5.9	4.5
Other current financial liabilities	-	0.0	2.3	0.1	-
Total current liabilities	113.3	75.6	56.7	101.9	91.2
Total liabilities	355.9	307.0	290.7	361.1	320.0
Total equity and liabilities	421.3	361.1	322.1	436.1	378.7

5. Selected Consolidated Statement of Cash Flows

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
		(Audited)		(Unaudited)	
	(in million EUR)				
Operating profit before working capital changes	(44.1)	(51.2)	(41.8)	(32.5)	(21.4)
Cash generated to/from operations	(115.3)	(123.8)	(129.6)	(47.5)	(51.2)
Net cash flows to/from operating activities	17.1	(0.6)	(27.7)	23.4	9.1
Net cash flows to/from investing activities	(0.2)	(4.9)	10.5	(4.0)	(5.3)
Net cash flows to/from financing activities	(3.2)	9.1	18.1	(19.3)	0.2
Cash at the end of the period	27.5	13.8	10.3	27.6	17.8

6. Consolidated Statement of Cash Flows

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Cash flows to/from operating activities					
Profit before tax from continuing operations	28.5	21.5	12.4	19.0	14.1
Profit from discontinued operation, net of tax	2.5	4.0	-	0.8	0.9
Adjustments for:					
Amortization and depreciation	9.4	8.1	7.3	4.9	4.2
Interest expense	37.5	28.9	27.8	20.6	17.3
Interest income	(176.3)	(162.5)	(132.3)	(95.1)	(78.5)
Loss from disposal of property, plant and equipment	3.4	3.2	1.0	0.6	0.6
Impairment expense	39.8	43.3	41.2	16.3	16.6
Loss from disposal of subsidiaries	-	-	3.1	-	-
(Gain)/loss from fluctuations of currency exchange rates	11.0	2.5	(2.3)	0.4	3.5
Operating profit before working capital changes	(44.1)	(51.2)	(41.8)	(32.5)	(21.4)
Decrease/(increase) in inventories	(2.3)	1.3	(2.2)	1.9	(4.8)
Increase in finance lease receivables, loans and advances to customers and other current assets	(69.2)	(72.8)	(86.6)	(23.4)	(27.7)
(Decrease)/increase in accrued liabilities	(0.3)	0.8	0.7	(0.0)	(0.5)
Increase in trade payable, taxes payable and other liabilities	0.7	(1.9)	0.4	6.4	3.1
Cash generated to/from operations	(115.3)	(123.8)	(129.6)	(47.5)	(51.2)

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Interest received	176.3	162.5	131.8	95.1	78.5
Interest paid	(33.3)	(29.1)	(25.4)	(21.4)	(15.4)
Corporate income tax paid	(10.5)	(10.2)	(4.5)	(2.8)	(2.7)
Net cash flows to/from operating activities	17.1	(0.6)	(27.7)	23.4	9.1
Cash flows to/ from investing activities					
Purchase of property, plant and equipment and intangible assets	(8.0)	(5.1)	(6.0)	(3.6)	(2.4)
Purchase of rental fleet	(1.1)	(5.0)	(3.5)	(0.4)	(3.0)
Disposal of discontinued operation, net of cash disposed of	(0.1)	(0.5)	(0.4)	-	-
Received payments for sale of shares in subsidiaries	0.0	-	1.3	-	-
Made payments for acquisition of minority interest shares	(0.3)	-	-	(0.2)	-
Cash acquired from integration of SIA ECFG (formerly SIA EC Finance Group)	4.4	-	-	-	-
Loan repayments received	4.9	5.7	19.3	0.2	0.1
Loans issued	(0.0)	(0.0)	(0.2)	-	-
Net cash flows to/ from investing activities	(0.2)	(4.9)	10.5	(4.0)	(5.3)
Cash flows to/from financing activities					
Proceeds from issue of share capital	-	0.0	-	0.0	-
Repayments of share capital to minority interest	(0.2)	-	-	-	-
Proceeds from borrowings	288.3	189.9	522.1	138.0	81.6

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Audited)			(Unaudited)	
	(in million EUR)				
Repayments for borrowings	(275.6)	(176.9)	(495.4)	(148.5)	(74.5)
Payments made for acquisition costs of borrowings	(2.9)	(0.9)	(6.9)	-	-
Dividends paid	(10.0)	(0.6)	-	(7.2)	(5.3)
Dividends paid to non-controlling shareholders	-	-	(0.4)	-	-
Repayment of liabilities for right-of-use assets	(2.9)	(2.4)	(1.3)	(1.6)	(1.6)
Net cash flows to/from financing activities	(3.2)	9.1	18.1	(19.3)	0.2
Effect of exchange rates on cash and cash equivalents	(0.0)	0.1	0.0	-	-
Change in cash	13.6	3.7	1.0	0.2	4.0
Cash at the beginning of the year	13.8	10.1	9.3	27.5	13.8
Cash at the end of the period	27.5	13.8	10.3	27.6	17.8

There has been no material change to the Issuer's cash flows since 30 June 2024.

In principle, the Issuer has no material unused sources of liquidity. Nevertheless, as at 30 June 2024 had drawn EUR 62.7 million from Mintos platform and historically it had drawn amounts of circa EUR 100M.

Cash flow from operating activities

For the six-month period of 2024, the net cash flow from operating activities amounted to EUR 23.4 million which is a 157% increase if compared to the EUR 9.1 million of the six-month period of 2023. The difference is attributed to the increase in interest income by EUR 16.6 million, the main driver of which is the growth of the loan portfolio, which in turn is due to the contribution of ExpressCredit which was obtained during the second half of the year 2023 and organic growth of loan portfolios in other group's markets. For the year ended 31 December 2023, the net cash flows from operating activities increased by EUR 17.7 million if compared to the respective period in 2022. The difference is mainly attributed to the increase in interest income by EUR 13.8 million, the main driver of which is the growth of the loan portfolio, which in turn is due

to the contribution of ExpressCredit which was obtained during the second half of the year 2023 and organic growth of loan portfolios in other group's markets.

The Group has positive operating cash flow as operations are profitable and generate excess cash flow.

Cash flow from investing activities

The net cash flow from investing activities mainly includes purchase of tangible and intangible assets (such as (i) internal development and improvement costs of the Group's IT systems (e.g. Group IT employee salaries and social security contributions), (ii) externally acquired computer software product costs and development services, investments in leasehold properties and others), purchase of rental fleet, loans issued and repaid, as well as any movements in the cash position due to disposals or acquisitions of the companies. For the six-month period of 2024, the net cash flow for investment activities amounted to EUR (4.0) million, while for the six-month period of 2023, the net cash flow for investing activities amounted to EUR (5.3) million. The difference is mainly attributable to lower investment amount in the purchase of rental fleet by EUR 2.6 million. For the year ended on 31 December 2022, the net cash flow reached EUR (4.9) million. For the year ended on 31 December 2023, the net cash flow outflows decreased by 95% amounting to EUR (0.2) million. The difference is mainly attributable to the cash acquired from integration of SIA ECFG (formerly SIA EC Finance Group).

Cash flow from financing activities

The cash flows from financing activities are comprised of loans received, repayment of loans and the distribution of dividends. Most recently dividends were paid out in the period ended on 30 June 2024. For the other respective covered periods the net cash flows from financing activities equaled the difference between the received loans and the repayment of loans. For the six-month period of 2024, total negative net cash flow from financing activities comprised EUR (19.3) million, compared to the six-month period of 2023 the growth in negative cash flows increased by EUR (19.5) million. The increase in negative cash flows for the six-month period of 2024 compared to same period in 2023 is attributable mainly due to repayment of the borrowings as well as larger dividend payment made. In the period ended 31 December 2023 the net cash flow was EUR (3.2) million with an increase of negative cash flows by EUR (12.3) million, compared to the year ended 31 December 2022, in which the net cash flows were positive and amounted to EUR 9.1 million. The increase in negative cash flows for 2023 compared to 2022 are attributable to substantially higher dividend payment made in 2023 than in 2022 (EUR 9.4 million higher dividends were paid in 2023 than in 2022).

Cash and cash equivalents at the end of the period

The net cash and cash equivalents at the end of the six-month period ended 30 June 2024 was EUR 27.6 million. The net cash and cash equivalents at the end of the period increased by 55% from EUR 17.8 million for the six-month period ended 30 June 2023. The net cash and cash equivalents increased by 99% from EUR 13.8 million for the year ended 31 December 2022 to EUR 27.5 million for the year ended 31 December 2023.

7. Alternative Performance Measures

The definitions for the following unaudited APMs are contained in the respective footnotes below the following table. The Group believes that such unaudited APMs are a useful way of understanding trends in the performance of the business of the Group over time..

In accordance with the Commission Delegated Regulation (EU) 2016/301 and the ESMA Guidelines on alternative performance measures (“APMs”) of 5 October 2015 (the “**ESMA Guidelines**”), the following sections set out information related to certain financial measures of the Group that are not defined by IFRS and which the Group regards as APMs within the meaning of the ESMA Guidelines.

	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021	As at and for six- month period ended 30 June 2024	As at and for six- month period ended 30 June 2023
	(Unaudited)				
	(in million EUR, except percentages)				
Net loan portfolio and rental fleet ⁽¹⁾	320.3	293.0	256.8	342.5	283.8
Net worth ⁽²⁾ / Net loan portfolio	26.1%	25.6%	19.8%	26.0%	28.2%
Profit before tax margin ⁽³⁾	16%	13%	9%	20%	18%
Return on average assets ⁽⁴⁾	6%	5%	2%	4%	3%
Cost / income ratio ⁽⁵⁾	37%	37%	39%	39%	37%
Net impairment to revenue ratio ⁽⁶⁾	20%	24%	26%	16%	20%
Non-performing loans (STAGE 3) as a share of value of portfolio of loans ⁽⁷⁾	5%	7%	6%	6%	6%

(1) Gross loan portfolio less provisions for bad debts and debt acquisition costs. We disclose Net loan portfolio and rental fleet as an APM, as we believe it is a meaningful indicator of Group's loan portfolio size.

(2) Net worth is calculated as the sum of share capital, retained earnings, reserves and subordinated debt. We disclose Net worth / Net loan portfolio as an APM, as we believe it is a meaningful indicator of the leverage of the Group.

(3) Profit before tax divided by the interest revenue calculated using the effective interest method for the relevant period. We disclose Profit before tax margin as an APM, as we believe it is a meaningful indicator of Group's profitability.

(4) Net profit for the period/ average assets (total assets as at the start and end of each period divided by two). We disclose Return on average assets as an APM, as we believe it is a meaningful indicator of Group's profitability.

- (5) Sum of administrative expense and selling expense / sum of Interest revenue calculated using the effective interest method, Fee and commission income and Revenue from leases. We disclose Cost / income ratio as an APM, as we believe it is a meaningful indicator of Group's cost efficiency relative to its revenues.
- (6) Sum of Impairment of financial assets and Net gain/(loss) from de-recognition of financial assets measured at amortized cost divided by operating income (Interest revenue calculated using the effective interest method, Fee and commission income and Revenue from leases). We disclose Net impairment to revenue ratio as an APM, as we believe it is a meaningful indicator of Group's loan portfolio quality relative to its revenues.
- (7) Non-performing loans (STAGE 3) as a share of value of portfolio of loans. We disclose Non-performing loans (STAGE 3) as a share of value of portfolio of loans as an APM, as we believe it is a meaningful indicator of Group's portfolio quality.
- (8) Net profit before FX is comprised of profit before continuing operations before net foreign exchange result.
- (9) Adjusted net profit which is comprised of profit from continuing operations plus (Gain)/Loss from subsidiary sale and one off solidarity tax payment in North Macedonia.

8. Other Financial Data (EBITDA)

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
	(Unaudited)				
	(in million EUR)				
Profit from continuing operations	21.9	14.6	6.2	14.6	11.4
Corporate income tax	8.3	9.0	6.3	4.8	5.3
Deferred corporate income tax	(1.8)	(2.2)	(1.0)	(0.4)	(2.5)
Interest expense	37.5	31.1	27.8	20.6	17.3
Amortization and depreciation	9.4	8.1	7.3	4.9	4.2
Net foreign exchange result	6.4	7.4	0.2	2.3	1.0
EBITDA	81.8	68.1	46.8	46.8	36.5
(Gain)/Loss from subsidiary sale	-	0.8	1.0	-	-
Amortization of acquisitions' fair value gain	-	-	3.2	-	-
Bonds refinancing expense	-	-	5.7	-	-
Non-controlling interests	(4.4)	(3.3)	(5.0)	(3.3)	(2.4)
Adjusted EBITDA	77.5	65.6	51.6	43.6	34.1

The abbreviation "EBITDA" stands for: "Earnings Before Interest, Taxes, Depreciation and Amortization".

EBITDA is defined as net profit for the period before corporate income tax and deferred corporate income tax, interest expense calculated using the effective interest method, amortization and depreciation, and net foreign exchange result and is calculated based on figures extracted from the consolidated statement of comprehensive income.

The Group believes this metric is a useful indicator of its capacity to pay interest on its borrowings.

The abbreviation "Adjusted EBITDA" stands for: "Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization".

Adjusted EBITDA is defined as EBITDA adjusted for minority interests' share of profits as well as any other one-off income or expenses not directly related to continuous business operations.

The Group believes this metric is a useful indicator of Group's profitability.

9. Key Performance Indicators (unaudited)

Our key performance indicators in terms of business volume include (i) the number of registered customers since inception; (ii) the number of active customers (iii) the value of loan amounts issued; and (iv) average loan amount. The number of registered customers reflects the number of customers who have applied for a loan, regardless of acceptance, and whose contact information we retain. The number of active customers reflects the number of customers who currently have one or more open loans with us. The value of loan amounts issued reflects the total amount of new loans issued during a period. The average loan amount represents the average value of the loan size issued in the respective period. The table below summarizes these key performance indicators for our operative companies for the periods indicated.

	As at and for the six-months period ended 30 June 2024 (Unaudited)	As at and for the six-months period ended 30 June 2023 (Unaudited)	As at and for the year ended 31 December 2023 (Unaudited)	As at and for the year ended 31 December 2022 (Unaudited)	As at and for the year ended 31 December 2021 (Unaudited)
Latvia					
Number of registered customers	55 390	53 268	54 181	52 440	50 579
Number of active customers	8 528	8 890	8 360	9 524	11 288
Loan amounts issued (in million EUR)	8.4	7.5	14.1	15.7	17.4
Average loan amount (in thousand EUR)	5.0	6.4	6.1	6.5	5.1
Lithuania					
Number of registered customers	30 386	28 876	29 798	27 762	25 912
Number of active customers	5 390	6 200	5 896	6 215	6 951
Loan amounts issued (in million EUR)	5.0	8.9	14.8	15.0	11.3
Average loan amount (in thousand EUR)	6.9	7.2	7.3	6.9	5.3
Estonia					
Number of registered customers	15 282	14 548	14 870	14 182	13 367
Number of active customers	2 802	2 811	2 728	2 911	3 527

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loan amounts issued (in million EUR)	2.8	2.5	4.7	6.4	5.4
Average loan amount (in thousand EUR)	4.3	4.0	4.1	5.0	4.4
Georgia					
Number of registered customers	60 515	57 681	59 088	56 121	52 875
Number of active customers	7 103	7 757	7 457	7 786	8 836
Loan amounts issued (in million EUR)	7.7	6.4	13.1	11.4	11.7
Average loan amount (in thousand EUR)	3.2	2.6	2.7	2.1	1.8
Armenia					
Number of registered customers	17 021	15 101	16 006	14 330	12 699
Number of active customers	4 380	4 193	4 299	4 362	4 874
Loan amounts issued (in million EUR)	8.7	7.5	15.6	12.1	8.6
Average loan amount (in thousand EUR)	3.8	3.8	3.8	3.2	2.1
Romania					
Number of registered customers	20 483	16 174	18 259	14 842	11 346
Number of active customers	8 335	7 319	7 872	7 336	6 262
Loan amounts issued (in million EUR)	13.9	7.6	20.4	19.2	17.5

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Average loan amount (in thousand EUR)	6.0	5.5	5.8	5.3	4.9
Moldova					
Number of registered customers	9 916	8 806	9 452	8 378	7 226
Number of active customers	2 884	2 766	2 973	2 812	2 701
Loan amounts issued (in million EUR)	4.2	4.0	10.3	10.5	11.6
Average loan amount (in thousand EUR)	8.0	8.4	8.8	7.8	6.8
Uzbekistan					
Number of registered customers	6 019	4 368	5 551	3 811	2 602
Number of active customers	2 703	2 221	2 849	2 222	1 785
Loan amounts issued (in million EUR)	2.7	3.3	10.2	6.7	4.7
Average loan amount (in thousand EUR)	5.4	5.8	5.7	5.4	4.7
Kenya					
Number of registered customers	122 264	98 079	111 524	82 982	48 174
Number of active customers	42 081	46 213	43 570	44 518	36 795
Loan amounts issued (in million EUR)	16.5	21.0	38.1	54.6	50.3
Average loan amount (in thousand EUR)	1.2	1.2	1.2	1.5	1.4
Uganda					

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of registered customers	74 567	48 300	61 566	36 426	14 669
Number of active customers	36 653	31 485	34 821	26 804	12 654
Loan amounts issued (in million EUR)	13.7	11.8	22.4	23.4	11.7
Average loan amount (in thousand EUR)	1.0	1.0	0.9	1.1	1.1
Albania (consumer finance)					
Number of registered customers	188 117	165 822	176 951	155 376	130 187
Number of active customers	34 574	40 806	42 199	41 730	39 861
Loan amounts issued (in million EUR)	27.6	22.5	50.9	45.3	36.4
Average loan amount (in thousand EUR)	0.4	0.4	0.4	0.4	0.4
North Macedonia (consumer finance)					
Number of registered customers	120 366	107 395	114 783	98 957	78 901
Number of active customers	35 310	36 421	37 064	37 036	31 972
Loan amounts issued (in million EUR)	18.2	18.6	38.0	34.1	23.8
Average loan amount (in thousand EUR)	0.5	0.5	0.5	0.5	0.4
Moldova (consumer finance)					

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of registered customers	301 326	293 256	297 109	287 921	275 205
Number of active customers	34 036	40 869	42 512	43 169	60 753
Loan amounts issued (in million EUR)	13.0	12.4	24.0	34.4	43.1
Average loan amount (in thousand EUR)	0.5	0.4	0.4	0.4	0.3
Botswana (consumer finance)					
Number of registered customers	40 092	N/A	37 229	N/A	N/A
Number of active customers	7 653	N/A	6 967	N/A	N/A
Loan amounts issued (in million EUR)	4.2	N/A	3.9	N/A	N/A
Average loan amount (in thousand EUR)	0.7	N/A	0.8	N/A	N/A
Namibia (consumer finance)					
Number of registered customers	103 188	N/A	86 744	N/A	N/A
Number of active customers	37 640	N/A	23 063	N/A	N/A
Loan amounts issued (in million EUR)	18.3	N/A	11.7	N/A	N/A
Average loan amount (in thousand EUR)	0.2	N/A	0.2	N/A	N/A
Zambia (consumer finance)					

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of registered customers	117 105	N/A	108 760	N/A	N/A
Number of active customers	22 276	N/A	13 331	N/A	N/A
Loan amounts issued (in million EUR)	4.8	N/A	3.4	N/A	N/A
Average loan amount (in thousand EUR)	0.3	N/A	0.3	N/A	N/A
Lesotho (consumer finance)					
Number of registered customers	6 361	N/A	5 494	N/A	N/A
Number of active customers	3 027	N/A	2 861	N/A	N/A
Loan amounts issued (in million EUR)	0.6	N/A	0.9	N/A	N/A
Average loan amount (in thousand EUR)	0.4	N/A	0.5	N/A	N/A

As at 31 December 2023 (compared to 31 December 2022), the number of registered customers increased significantly, particularly in the developing markets such as Kenya and Uganda, where the increase of the number of customers was higher than in the established markets.

The table below provides further key metrics for our operative companies for the periods indicated. The information with respect to Latvia has been derived from AS “mogo”’s consolidated annual report for the financial year ended 31 December 2023, and with respect to other countries from the consolidation file of the Issuer’s integrated annual report for the financial year ended 2023.

	As at and for the six-months period ended 30 June 2024 (Unaudited)	As at and for the six-months period ended 30 June 2023 (Unaudited)	As at and for the year ended 31 December 2023 (Unaudited)	As at and for the year ended 31 December 2022 (Unaudited)	As at and for the year ended 31 December 2021 (Unaudited)
(in million EUR, except percentages)					
Latvia					
Profit before tax	0.0	1.5	0.7	3.2	5.6
Net loan portfolio and rental fleet	13.1	9.8	7.7	12.4	16.6
Average monthly interest rate on loans to customers	2.0%	1.8%	1.9%	1.6%	2.2%
Net margin ratio ²	0%	26%	7%	25%	39%
Cost to income ratio ³	49%	32%	29%	39%	41%
Lithuania					
Profit before tax	0.0	0.9	1.2	2.5	3.1
Net loan portfolio	30.5	30.3	32.2	27.3	25.3
Average monthly interest rate on loans to customers	3.9%	3.7%	3.6%	3.7%	3.8%
Net margin ratio	1%	13%	9%	21%	24%
Cost to income ratio	21%	21%	20%	22%	23%
Estonia					
Profit before tax	0.6	0.3	0.5	1.0	2.1
Net loan portfolio	11.5	11.3	11.0	11.5	11.2
Average monthly interest rate on loans to customers	2.6%	2.5%	2.5%	2.4%	2.6%
Net margin ratio	12%	11%	8%	22%	37%
Cost to income ratio	14%	25%	23%	30%	25%
Georgia					
Profit before tax	2.1	1.6	3.6	4.0	2.4

² Net Margin Ratio: Net profit for the period/ sum of Interest revenue calculated using the effective interest method, Fee and commission income and Revenue from leases.

³ Cost to Income Ratio: Sum of Selling expense and Administrative expense/ sum of Interest revenue calculated using the effective interest method, Fee and commission income and Revenue from leases.

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(in million EUR, except percentages)				
Net loan portfolio	17.3	16.6	16.6	16.2	15.5
Average monthly interest rate on loans to customers	3.4%	3.4%	3.4%	3.4%	3.4%
Net margin ratio	45%	37%	42%	50%	40%
Cost to income ratio	22%	24%	23%	22%	24%
Armenia					
Profit before tax	2.1	1.1	1.9	3.0	0.1
Net loan portfolio	15.4	12.8	13.2	12.6	9.9
Average monthly interest rate on loans to customers	4.6%	4.3%	4.4%	4.3%	4.2%
Net margin	48%	29%	22%	48%	27%
Cost to income ratio	33%	32%	35%	32%	36%
Romania					
Profit before tax	1.0	0.4	0.5	2.3	1.7
Net loan portfolio	37.4	29.1	33.4	29.0	23.9
Average monthly interest rate on loans to customers	2.8%	2.6%	2.7%	2.6%	2.6%
Net margin	8%	3%	1%	12%	12%
Cost to income ratio	22%	22%	22%	21%	24%
Moldova					
Profit before tax	0.7	0.6	1.5	1.0	1.6
Net loan portfolio	17.5	15.8	17.9	15.9	14.1
Average monthly interest rate on loans to customers	4.2%	3.3%	3.4%	3.1%	2.8%
Net margin ratio	17%	16%	19%	12%	24%
Cost to income ratio	20%	19%	20%	21%	24%

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(in million EUR, except percentages)				
Uzbekistan					
Profit before tax	1.2	0.4	0.7	1.9	1.1
Net loan portfolio	11.7	8.5	11.5	8.6	6.5
Average monthly interest rate on loans to customers	4.2%	4.2%	4.2%	4.0%	4.0%
Net margin ratio	31%	13%	11%	41%	34%
Cost to income ratio	20%	27%	26%	28%	34%
Kenya					
Profit before tax	(0.3)	(1.6)	(3.9)	2.4	4.7
Net loan portfolio	48.3	51.0	44.4	53.5	39.5
Average monthly interest rate on loans to customers	6.7%	6.5%	6.5%	5.7%	5.1%
Net margin ratio	(2%)	(8%)	(10%)	5%	13%
Cost to income ratio	35%	32%	31%	33%	36%
Uganda					
Profit before tax	1.7	2.8	3.9	3.0	1.6
Net loan portfolio	26.6	24.2	23.7	23.0	13.4
Average monthly interest rate on loans to customers	6.1%	6.0%	6.1%	6.0%	5.9%
Net margin ratio	12%	21%	14%	13%	18%
Cost to income ratio	30%	23%	24%	24%	34%
Albania (consumer finance)					
Profit before tax	6.2	4.3	10.0	7.6	4.7
Net loan portfolio	37.7	31.1	35.9	29.0	18.9

	As at and for the six-months period ended 30 June 2024 (Unaudited)	As at and for the six-months period ended 30 June 2023 (Unaudited)	As at and for the year ended 31 December 2023 (Unaudited)	As at and for the year ended 31 December 2022 (Unaudited)	As at and for the year ended 31 December 2021 (Unaudited)
(in million EUR, except percentages)					
Average monthly interest rate on loans to customers ⁴	8.0%	7.7%	7.9%	8.3%	9.0%
Net margin ratio	33%	28%	32%	31%	30%
Cost to income ratio	17%	18%	18%	20%	25%
North Macedonia (consumer finance)					
Profit before tax	3.9	2.0	4.8	5.6	2.5
Net loan portfolio	23.6	19.5	22.2	16.9	10.6
Average monthly interest rate on loans to customers ⁵	8.7%	7.3%	8.6%	8.8%	9.1%
Net margin ratio	29%	19%	13%	30%	22%
Cost to income ratio	19%	20%	20%	22%	27%
Moldova (consumer finance)					
Profit before tax	3.3	2.5	7.0	3.2	6.6
Net loan portfolio	17.8	19.8	19.0	19.9	23.8
Average monthly interest rate on loans to customers ⁶	5.3%	5.5%	5.3%	7.1%	9.7%
Net margin ratio	47%	29%	41%	18%	31%
Cost to income ratio	31%	24%	25%	23%	21%
Botswana (consumer finance)					
Profit before tax	1.4	N/A	1.9	N/A	N/A
Net loan portfolio	14.0	N/A	14.2	N/A	N/A

⁴ Monthly interest rate has been derived from the annual percentage rate (APR).

⁵ Monthly interest rate has been derived from the annual percentage rate (APR).

⁶ Monthly interest rate has been derived from the annual percentage rate (APR).

	As at and for the six-months period ended 30 June 2024	As at and for the six-months period ended 30 June 2023	As at and for the year ended 31 December 2023	As at and for the year ended 31 December 2022	As at and for the year ended 31 December 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(in million EUR, except percentages)				
Average monthly interest rate on loans to customers ⁷	4.4%	N/A	4.3%	N/A	N/A
Net margin ratio	25%	N/A	28%	N/A	N/A
Cost to income ratio	24%	N/A	23%	N/A	N/A
Namibia (consumer finance)					
Profit before tax	0.9	N/A	0.5	N/A	N/A
Net loan portfolio	11.9	N/A	7.3	N/A	N/A
Average monthly interest rate on loans to customers ⁸	10.1%	N/A	10.0%	N/A	N/A
Net margin ratio	10%	N/A	9%	N/A	N/A
Cost to income ratio	34%	N/A	36%	N/A	N/A
Zambia (consumer finance)					
Profit before tax	0.4	N/A	(0.9)	N/A	N/A
Net loan portfolio	6.2	N/A	3.6	N/A	N/A
Average monthly interest rate on loans to customers ⁹	8.3%	N/A	8.2%	N/A	N/A
Net margin ratio	10%	N/A	(32%)	N/A	N/A
Cost to income ratio	40%	N/A	49%	N/A	N/A
Lesotho (consumer finance)					
Profit before tax	0.2	N/A	0.2	N/A	N/A
Net loan portfolio	1.8	N/A	1.9	N/A	N/A

⁷ Monthly interest rate has been derived from the annual percentage rate (APR).

⁸ Monthly interest rate has been derived from the annual percentage rate (APR).

⁹ Monthly interest rate has been derived from the annual percentage rate (APR).

	As at and for the six-months period ended 30 June 2024 (Unaudited)	As at and for the six-months period ended 30 June 2023 (Unaudited)	As at and for the year ended 31 December 2023 (Unaudited)	As at and for the year ended 31 December 2022 (Unaudited)	As at and for the year ended 31 December 2021 (Unaudited)
	(in million EUR, except percentages)				
Average monthly interest rate on loans to customers ¹⁰	3.3%	N/A	3.3%	N/A	N/A
Net margin ratio	35%	N/A	27%	N/A	N/A
Cost to income ratio	24%	N/A	23%	N/A	N/A

10. Restatement of 2021 Financial Statements

As described in Note 20 of the Financial Statements for the financial year ended 31 December 2022, in 2022 the Group has cancelled the sales agreement for sale of its subsidiary in Estonia – Primero Finance OU and has reclassified back its results to continued operations. Also a subsidiary in Albania has been disposed from the Group in 2022 and recognized as discontinued operation. This resulted in change in Consolidated Statement of Profit and Loss and Other Comprehensive Income as well as in Consolidated Statement of Cash Flows.

The table below provides the key selected consolidated financial information for the Group as at and for the financial year ended 31 December 2021 before the reclassification and restatement.

Consolidated Statement of Profit and Loss and Other Comprehensive Income	Amount for the year ended 31 December 2021 in annual report for 2021
	(in million EUR)
Interest Revenue	136.5
Interest Expense	(28.2)
Net interest income	108.3
Fee and commission income related to finance lease activities	7.5
Impairment expense	(40.7)
Net gain/(loss) for de-recognition of financial assets measured at amortized cost	3.5
Bonds refinancing expense	(5.7)
Expenses related to peer-to-peer platform services	(1.0)

¹⁰ Monthly interest rate has been derived from the annual percentage rate (APR).

Revenue from leases	6.5
Revenue from car sales	0.1
Expenses from car sales	(0.1)
Selling expense	(8.2)
Administrative expense	(49.6)
Other operating income	0.9
Other operating expense	(6.3)
Net foreign exchange result	1.1
Profit before tax	16.3
Corporate income tax	(6.9)
Deferred corporate income tax	0.4
Profit from continuing operations	9.7
Discontinued operations	
Profit/(loss) from discontinued operation, net of tax	(2.6)
Profit for the year	7.1
Other comprehensive income/(loss):	
Translation of financial information of foreign operations to presentation currency	2.5
Other comprehensive income/(loss)	2.5
Total comprehensive Income for the year	9.7
Profit is attributable to:	
Equity holders of the parent company	2.1
Non-controlling interests	5.0
Profit for the year	7.1
Other comprehensive income/(loss) is attributable to:	
Equity holders of the parent company	2.5
Non-controlling interests	0.1
Other comprehensive income/(loss) for the year	2.5

Consolidated Statement of Financial Position

Balance at 31 December
2021 in annual report for
2021

(in million EUR)

NON-CURRENT ASSETS

Intangible assets

Goodwill	4.2
Internally generated intangible assets	7.5
Other intangible assets	2.7
Total intangible assets	14.5

Tangible assets	
Right-of-use assets	9.1
Rental fleet	10.7
Property, plant and equipment	2.5
Leasehold improvements	0.6
Advance payments for assets	-
Total tangible assets	22.9
Non-current financial assets	
Finance lease receivables	64.4
Loans and advances to customers	54.7
Loans to related parties	3.5
Equity-accounted investees	0.1
Other loans and receivables	0.7
Deferred tax asset	2.8
Total non-current financial assets	126.3
TOTAL NON-CURRENT ASSETS	163.7
CURRENT ASSETS	
Inventories	
Finished goods and goods for resale	3.8
Total inventories	3.8
Receivables and other current assets	
Finance lease receivables	47.9
Loans and advances to customers	67.8
Loans to related parties	2.7
Other loans and receivables	2.2
Prepaid expense	1.7
Trade receivables	3.6
Other receivables	3.3
Cash and cash equivalents	10.1
Total receivables and other current assets	139.3
Assets of subsidiaries held for sale	12.9
Assets held for sale	2.4
Total assets held for sale	15.3

TOTAL CURRENT ASSETS	158.4
TOTAL ASSETS	322.1
EQUITY	
Share capital	1.0
Share premium	-
Reserve	0.8
Foreign currency translation reserve	0.2
Retained earnings	22.3
Total equity attributable to equity holders of the parent company	24.3
Non-controlling interests	7.1
TOTAL EQUITY	31.4
LIABILITIES	
Non-current liabilities	
Borrowings	229.8
Other non-current financial liabilities	-
Total non-current liabilities	229.8
Provisions	0.1
Total provisions for liabilities and charges	0.1
Current liabilities	
Borrowings	38.3
Liabilities directly associated with the assets held for sale	6.1
Prepayments and other payments received from customers	0.9
Trade and other payables	2.7
Current corporate income tax payable	3.7
Taxes payable	1.8
Other liabilities	0.9
Accrued liabilities	4.2
Other current financial liabilities	2.3
Total current liabilities	60.8
TOTAL LIABILITIES	290.7
TOTAL EQUITY AND LIABILITIES	322.1

Consolidated Statement of Cash Flows

**Amount for the year
ended 31 December 2021
in annual report for 2021**

(in million EUR)

Cash flows to/from operating activities

Profit before tax	13.7
Adjustments for:	
Amortization and depreciation	7.4
Interest expense	28.2
Interest income	(136.5)
Loss from disposal of property, plant and equipment	1.0
Impairment expense	40.7
Gain on acquisition of subsidiaries	-
Loss from disposal of subsidiaries/(gain on acquisition of subsidiaries)	3.1
(Gain)/loss from fluctuations of currency exchange rates	(3.6)
Operating profit before working capital changes	(46.1)
Decrease/(increase) in inventories	(2.2)
Increase in finance lease receivables, loans and advances to customers and other current assets	(86.2)
(Decrease)/increase in accrued liabilities	0.6
Increase in trade payable, taxes payable and other liabilities	5.5
Cash generated to/from operations	(128.3)
Interest received	136.0
Interest paid	(25.4)
Corporate income tax paid	(4.5)
Net cash flows to/from operating activities	(22.2)

Cash flows to/from investing activities

Purchase of property, plant and equipment and intangible assets	(6.0)
Purchase of rental fleet	(3.5)
Disposal of discontinued operation, net of cash disposed of	(0.4)
Received payments for sale of shares in subsidiaries	1.3
Loan repayments received	19.3
Loans issued	(0.2)
Net cash flows to/from investing activities	10.5

Cash flows to/from financing activities

Proceeds from borrowings	522.1
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Repayments for borrowings	(500.9)
Payments made for acquisition costs of borrowings	(6.9)
Repayment of liabilities for right-of-use assets	(1.4)
Dividends paid to non-controlling shareholders	(0.4)
Net cash flows to/from financing activities	12.5
Effect of exchange rates on cash and cash equivalents	0.0
Change in cash	0.8
Cash at the beginning of the year	9.3
Cash at the end of the year	10.1

The table below provides the reclassification amounts and key selected consolidated financial information for the Group as at and for the financial year ended 31 December 2021 after the reclassification and restatement.

Consolidated Statement of Profit and Loss and Other Comprehensive Income	Reclassifications	Amount for the year ended 31 December 2021 after restatement
(in million EUR)		
Interest Revenue	(4.2)	132.3
Interest Expense	0.4	(27.8)
Net interest income	(3.8)	104.5
Fee and commission income related to finance lease activities	(0.4)	7.1
Impairment expense	(0.5)	(41.2)
Net gain/(loss) for de-recognition of financial assets measured at amortized cost	0.3	3.8
Bonds refinancing expense	-	(5.7)
Expenses related to peer-to-peer platform services	-	(1.0)
Revenue from leases	-	6.5
Revenue from car sales	-	0.1
Expenses from car sales	-	(0.1)
Selling expense	0.1	(8.1)
Administrative expense	0.9	(48.7)
Other operating income	(0.1)	0.8
Other operating expense	-	(6.3)
Net foreign exchange result	(1.3)	(0.2)
Profit before tax	(4.8)	11.5

Corporate income tax	0.6	(6.3)
Deferred corporate income tax	0.6	1.0
Profit from continuing operations	(3.5)	6.2
Discontinued operations		
Profit/(loss) from discontinued operation, net of tax	3.5	0.9
Profit for the period	-	7.1
Other comprehensive income/(loss):		
Translation of financial information of foreign operations to presentation currency	-	2.5
Other comprehensive income/(loss)	-	2.5
Total comprehensive Income for the year	-	9.7
Profit is attributable to equity holders of the parent company	-	2.1
Profit is attributable to non-controlling interests	-	5.0
Profit for the year	-	7.1
Other comprehensive income/(loss) is attributable to equity holders of the parent company	-	2.5
Other comprehensive income/(loss) is attributable to non-controlling interests	-	0.1
Other comprehensive income/(loss) for the period	-	2.5

Consolidated Statement of Profit and Loss and Other Comprehensive Income	Reclassifications	Amount for the year ended 31 December 2021 after restatement
	(in million EUR)	
Goodwill	0.5	4.7
Internally generated intangible assets	-	7.5
Other intangible assets	-	2.7
Right-of-use assets	0.1	9.2
Rental fleet	-	10.7
Property, plant and equipment	-	2.5
Leasehold improvements	-	0.6
Advance payments for assets	-	-
Non-current finance lease receivables	5.5	69.9
Non-current loans and advances to customers	2.3	57.0
Non-current loans to related parties	-	3.5
Equity-accounted investees	-	0.1

Other non-current loans and receivables	-	0.7
Deferred tax asset	-	2.8
Finished goods and goods for resale	-	3.8
Current finance lease receivables	2.3	50.2
Current loans and advances to customers	1.2	69.0
Current loans to related parties	-	2.7
Other current loans and receivables	-	2.2
Prepaid expense	-	1.7
Trade receivables	-	3.6
Other receivables	(0.1)	3.2
Cash and cash equivalents	0.2	10.3
Assets of subsidiaries held for sale	(11.9)	1.0
Assets held for sale	-	2.4
Total assets	-	322.1
Share capital	-	1.0
Share premium	-	-
Reserve	-	0.8
Foreign currency translation reserve	-	0.2
Retained earnings	-	22.3
Total equity attributable to equity holders of the parent company	-	24.3
Non-controlling interests	-	7.1
Total equity	-	31.4
Liabilities		
Non-current borrowings	4.1	233.9
Non-current provisions	-	0.1
Current borrowings	1.5	39.8
Liabilities directly associated with the assets held for sale	(5.9)	0.2
Prepayments and other payments received from customers	-	0.9
Trade and other payables	-	2.7
Current corporate income tax payable	-	3.7
Taxes payable	0.1	1.9
Other liabilities	-	0.9
Accrued liabilities	0.1	4.3
Other current financial liabilities	-	2.3
Total liabilities	-	290.7

Total equity and liabilities	-	322.1
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Consolidated Statement of Cash Flows	Reclassifications	Amount for the year ended 31 December 2021 after restatement
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(in million EUR)

Cash flows to/from operating activities

Profit before tax	(1.2)	12.4
Adjustments for:		
Amortization and depreciation	(0.1)	7.3
Interest expense	(0.4)	27.8
Interest income	4.2	(132.3)
Loss from disposal of property, plant and equipment	0.0	1.0
Impairment expense	0.5	41.2
Gain on acquisition of subsidiaries	-	-
Loss from disposal of subsidiaries/(gain on acquisition of subsidiaries)	-	3.1
(Gain)/loss from fluctuations of currency exchange rates	1.3	(2.3)
Operating profit before working capital changes	4.2	(41.8)
Decrease/(increase) in inventories	-	(2.2)
Increase in finance lease receivables, loans and advances to customers and other current assets	(0.5)	(86.6)
(Decrease)/increase in accrued liabilities	0.1	0.7
Increase in trade payable, taxes payable and other liabilities	(5.2)	0.4
Cash generated to/from operations	(1.3)	(129.6)
Interest received	(4.2)	131.8
Interest paid	0.0	(25.4)
Corporate income tax paid	-	(4.5)
Net cash flows to/from operating activities	(5.5)	(27.7)
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	-	(6.0)
Purchase of rental fleet	-	(3.5)

Disposal of discontinued operation, net of cash disposed of	-	(0.4)
Received payments for sale of shares in subsidiaries	-	1.3
Loan repayments received	-	19.3
Loans issued	-	(0.2)
Net cash flows to/from investing activities	-	10.5
Cash flows to/from financing activities		
Proceeds from borrowings	(0.0)	522.1
Repayments for borrowings	5.6	(495.4)
Payments made for acquisition costs of borrowings	(0.0)	(6.9)
Repayment of liabilities for right-of-use assets	0.2	(1.3)
Dividends paid to non-controlling shareholders	-	(0.4)
Net cash flows to/from financing activities	5.6	18.1
Effect of exchange rates on cash and cash equivalents	-	0.0
Change in cash	0.2	1.0
Cash at the beginning of the year	-	9.3
Cash at the end of the year	0.2	10.3

11. Independent Auditors

The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the financial years ended 31 December 2023 and 31 December 2022 is BDO Audit (*société anonyme*), incorporated under the laws of Luxembourg, having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés, Luxembourg) under number B.147570.

BDO Audit (*société anonyme*) is registered as *cabinet de révision agréé* with the CSSF and is member of the professional institute of auditors (*Institut des réviseurs d'entreprises*) in Luxembourg.

The statutory auditor (*réviseur d'entreprises agréé*) of the audited consolidated financial statements of the Issuer and its consolidated subsidiaries for the financial year ended 31 December 2021 is KPMG Luxembourg (*société coopérative*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.149133.

KPMG Luxembourg is registered as *cabinet de révision agréé* with the CSSF and is a member of the professional institute of auditors (*Institut des réviseurs d'entreprises*) in Luxembourg.

12. Significant Changes in the Financial Position or Financial Performance

There has been no significant change in the financial position or financial performance of the Issuer or the Group after the date of the unaudited condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2024.

13. Operating and Financial Review

The following discussion of the Group's financial position and operational results should be read in conjunction with the Group's historical financial information as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 and for the six-month periods ended 30 June 2023 and 30 June 2024 and the accompanying notes included in the financial statements, and with the information relating to the Group's business included elsewhere in this Prospectus.

The discussion includes forward-looking statements, including those concerning capital expenditures and financial condition that reflect the current view of the Management Board that are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by such forward looking statements. The Group's actual results could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, in particular, in Section II. "Risk Factors" and Section III. General Information, 7. "Forward-looking Statements". Prospective investors should read the entire Prospectus and not merely rely on the information contained in this following Section 13.

Overview

The Group is an established vehicle finance and consumer finance provider with over 12 years of operating track record. As at today, the Group operates in 16 countries and 3 continents, encouraging financial inclusion and upward social mobility in underserved communities around the globe. The Group has developed a multi-brand portfolio for its vehicle and consumer finance business lines, with around 2/3 of the portfolio comprising secured vehicle loans and mobility products, with Mogo as the leading brand, and around 1/3 of the portfolio including unsecured consumer finance products, with Kredo and Tigo as the segment's flagship brands. Currently, 55% of the group's portfolio is located in Europe, 32% in Africa, and 13% in the rest of the world. The Group's historical customer base exceeds 1,285,000 customers worldwide, while the total volume of loans issued goes beyond EUR 1.8 billion. With headquarters in Latvia, Lithuania, and Estonia and a governance structure in Luxembourg, the Group ensures efficient and transparent business management, powered at the operational level by 2809 employees. For two consecutive years, in 2020 and 2021, the Group was listed among Europe's 1000 fastest growing companies by the Financial Times.

In 2023, the total revenue¹¹ of the Group was EUR 189.3 million, an increase of 8% compared to EUR 175.7 million in 2022. In the six-month period ended 30 June 2024, the total revenue of the Group was EUR 102.0 million, representing a 21% increase compared to EUR 84.4 million in the corresponding reporting period a year ago. The Group's net profit in 2023 reached EUR 24.5 million, compared to EUR 18.6 million in

¹¹ Total revenue is the sum of interest revenue, fee and commission income and revenue from leases.

2022, an increase of 32%. In the six-month period ended 30 June 2024, the Group's net profit was EUR 15.4 million, representing a 25% increase compared to the corresponding reporting period a year ago.

Key factors affecting results of operations and financial performance of the Group

Macroeconomic and other trends

The operations of the Group are materially affected by the macroeconomic conditions globally as well as in the countries where the Group operates. Among these factors, but not limited to, are interest rate and geopolitical environments on a global level, as well as changes in tax policies, employment rate, inflation, GDP growth, income levels and general economic uncertainty at a country macro economical levels. Please read more in Section II. "Risk Factors", particularly "a) Risks relating to the Group's business activities and industry".

Competition

The Group's vehicle finance business line has rather limited competition in the countries where it operates due to the lack of companies specializing in purely pre-owned motor-vehicle financing. Furthermore, pre-owned motor-vehicle financing is not the immediate market segment which a typical unsecured lending company would target, mainly due to the essential physical presence (branch network) which requires capital expenditure in infrastructure and due to the necessity of establishing close relationships with pre-owned motor-vehicle dealers.

In certain countries, the Group competes with financial institutions, such as banks, credit unions and other consumer lenders offering unsecured loans that can be used for motor-vehicle purchase.

The Group's consumer finance business line competes with non-bank lenders which usually have only online operations. Elevation has a unique mix of a vast network of physical branches and a well-established online lending platform. This way the Group addresses a wider population of potential customers and is able to offer fast loan issuance process both online and offline.

Please read more in Section XIV. "Competition". The Group competes primarily on the basis of its tailored financial solutions with flexible terms, advanced financial technology solutions that streamline its operations from loan origination to customer service and strategic partnerships with local businesses, including car dealerships and retail networks. The Group should continue to develop robust credit risk management practices, which help in maintaining a healthy loan portfolio and minimizing defaults, as this may have a material adverse effect on the operating and financial performance of the Group. Same applies to consumer finance segment, where the Group is continuously improving its performance. Please read more in Section II. "Risk Factors", particularly a) Risks relating to the Group's business activities and industry.

Business continuity

The Group's business is reliant to a significant extent upon the quality of its customers. Uncontrolled and unexpected default on behalf of customers, could result in an increase of non-performing loans proportion in the loan portfolio. Any disruptions in Group's ability to recover non-performing loans could result in an increase of impairment provisions, therefore having a material adverse effect on the operating and financial performance of the Group. Please read more in Section II. "Risk Factors", particularly 1. a) Risks relating to the Group's business activities and industry.

Regulatory Environment

The operations of the Group are subject to legal regulations in Luxembourg, Latvia and the EU, as well as in the other countries in which the Group operates. Changes in laws and regulations may have a significant impact on operations of the Group. In addition, legal and regulatory changes, may have an impact on the Group's operational and financial performance directly through changes in taxation or other costs to operations and projects, or indirectly through changes in consumer behaviour patterns or technology developments. Please read more in Section II. "Risk Factors", particularly 1.c) "Legal and Regulatory Risks".

Business Diversification

In order to maintain its success in the future, the Group shall continue with geographical diversification and expanding its operations and customer base. Any failure to ensure sufficient levels of diversification across geographies and products could have a material adverse effect on the operating and financial performance of the Group. Please read more in Section II. "Risk Factors", particularly 1. a) Risks relating to the Group's business activities and industry.

Dependence on IT

The Group is dependent upon efficient and uninterrupted operation of several information and communication systems, including for the performance of the underwriting process. Any IT related problems could, in turn, adversely affect the financial condition and results of operations of the Group. Please read more in Section II. "Risk Factors", particularly 1. a) Risks relating to the Group's business activities and industry.

VII. SELECTED PORTFOLIO INFORMATION

The following tables present certain selected information on our operating data and our loan portfolios and ratios for the periods indicated. The following information should be read in conjunction with the Issuer's Consolidated Financial Statements included by reference in this Prospectus, as well as the Section "Selected Financial Information and Operating Data". The information in the following section is of statistical nature and based on the Issuer's internal reporting system.

Certain amounts and percentages included in this Prospectus have been subject to rounding adjustments; accordingly figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown here.

Furthermore, certain data in this Section "Selected Portfolio Information" do not agree with the consolidated statement of financial position data as the portfolio amount per consolidated statement is net of impairment, non-current assets held for sale (repossessed vehicles) and deferred fees paid and received upon loan disbursement. The consumer loan portfolio amount is net of deferred income, while the vehicle loan portfolio amount is gross of deferred income.

The tables below present key selected consolidated financial information for the Group as at and for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021.

1. Loan Portfolio

	Gross receivables 30.06.2024	Allowance for doubtful debts 30.06.2024	Net receivables 30.06.2024	Gross receivables 30.06.2023	Allowance for doubtful debts 30.06.2023	Net receivables 30.06.2023
	(unaudited)					
	(in million EUR)					
Armenia	24.8	9.4	15.4	23.6	10.8	12.8
Estonia	12.6	1.1	11.5	12.4	1.1	11.3
Georgia	19.2	1.9	17.3	18.8	2.2	16.6
Kenya	64.5	16.2	48.3	66.2	15.3	51.0
Lithuania	31.5	1.0	30.5	30.7	0.4	30.3
Latvia	10.7	1.2	9.6	11.4	1.5	9.8
Moldova	20.3	2.9	17.5	18.5	2.7	15.8
Romania	40.8	3.4	37.4	31.6	2.5	29.1
Uganda	32.5	5.9	26.6	29.2	5.0	24.2
Uzbekistan	13.1	1.4	11.7	9.3	0.8	8.5
Finland	-	-	-	0.1	0.0	0.1
OX Drive	3.6	-	3.6	2.9	-	2.9

	Gross receiva bles 31.12.2 023	Allowa nce for doubtfu l debts 31.12.2 023	Net receiva bles 31.12.2 023	Gross receiva bles 31.12.2 022	Allowa nce for doubtfu l debts 31.12.2 022	Net receiva bles 31.12.2 022	Gross receiva bles 31.12.2 021	Allowa nce for doubtfu l debts 31.12.2 021	Net receiva bles 31.12.2 021
	(unaudited)								
	(in million EUR)								
Georgia	18.4	1.7	16.6	17.9	1.6	16.2	16.6	1.1	15.5
Kenya	54.2	9.7	44.4	62.9	9.3	53.7	44.3	4.8	39.5
Lithuania	32.9	0.6	32.2	27.6	0.4	27.2	25.6	0.3	25.3
Latvia	9.0	0.6	3.8	13.9	1.6	12.3	18.9	2.4	16.6
Moldova	20.4	2.5	17.9	18.2	2.3	15.9	16.7	2.6	14.1
Romania	36.1	2.7	33.4	30.9	1.8	29.1	26.1	2.3	23.9
Uganda	26.7	3.0	23.7	26.4	3.4	23.0	14.4	1.0	13.4
Uzbekist an	12.0	0.5	11.5	9.0	0.4	8.6	7.0	0.5	6.5
Finland	-	-	-	0.1	0.0	0.1	-	-	-
OX Drive	3.5	0.0	3.5	0.7	0.0	0.7	-	-	-
Albania (consume r finance)	45.1	9.2	35.9	36.1	7.1	29.0	23.2	4.2	18.9
Moldova (consume r finance)	23.4	4.4	19.0	25.4	5.6	19.8	29.1	5.3	23.8
North Macedon ia (consume r finance)	35.8	13.6	22.2	26.6	9.8	16.9	16.5	5.9	10.6
Ukraine (consume r finance)	19.1	18.5	0.7	23.1	21.7	1.4	30.4	22.2	8.2
Botswan a (consume r finance)	17.8	3.6	14.2	-	-	-	-	-	-
Lesotho (consume r finance)	1.9	0.1	1.9	-	-	-	-	-	-
Namibia (consume r finance)	8.3	0.9	7.3	-	-	-	-	-	-
Zambia (consume r finance)	4.5	0.9	3.6	-	-	-	-	-	-
TOTAL	401.9	81.6	320.3	368.3	75.4	292.9	311.2	64.0	247.2

2. Total Loan Portfolio by Loan Balance

	As at 30 June 2024		As at 30 June 2023	
	(Unaudited)		(Unaudited)	
	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio
Outstanding Debt Amount Borrowed				
Less than EUR 2 500	162.7	48.5%	134.9	49.1%
Between EUR 2 500 - 5 000	67.8	20.2%	59.2	21.6%
Between EUR 5 000 - 7 500	50.3	15.0%	40.4	14.7%
Between EUR 7 500 - 10 000	23.4	7.0%	19.4	7.1%
Between EUR 10 000 - 12 500	19.2	5.7%	13.5	4.9%
Over EUR 12 500	12.4	3.7%	7.3	2.6%
Total loan portfolio	335.7	100%	274.7	100.0%

	As at 31 December 2023		As at 31 December 2022		As at 31 December 2021	
	(Unaudited)		(Unaudited)		(Unaudited)	
	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio
Outstanding Debt Amount Borrowed						
Less than EUR 2 500	157.1	50.2%	135.7	47.8%	121.3	48.6%
Between EUR 2 500 - 5 000	61.4	19.6%	67.8	23.9%	62.8	25.2%
Between EUR 5 000 - 7 500	44.9	14.3%	43.3	15.3%	39.5	15.8%
Between EUR 7 500 - 10 000	22.2	7.1%	19.8	7.0%	16.0	6.4%
Between EUR 10 000 - 12 500	16.5	5.3%	12.3	4.3%	8.1	3.2%
Over EUR 12 500	11.0	3.5%	5.0	1.8%	2.1	0.8%
Total loan portfolio	313.1	100%	283.8	100.0%	249.8	100.0%

3. Total Loan Portfolio by Stages for which the Repayment of Loans are Delayed¹²

	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Unaudited)
	Net loan amount (in million EUR)	
STAGE 1	278.1	231.5
STAGE 2	34.9	24.0
STAGE 3 (NPL)	22.6	19.1
Total loan portfolio	335.7	274.7

	As at 31 December 2023 (Unaudited)	As at 31 December 2022 (Unaudited)	As at 31 December 2021 (Unaudited)
	Net loan amount (in million EUR)		
STAGE 1	259.0	237.1	218.9
STAGE 2	33.1	28.2	16.9
STAGE 3 (NPL)	21.0	17.8	10.1
Total loan portfolio	313.1	283.1	245.9

4. Sale of Repossessed Vehicle from Agreement Termination Date

	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Unaudited)
Sale of repossessed vehicle from agreement termination date (in days)	76	72

¹² Loans are classified in one of the Stages depending from the days past due. Depending on the product type, a loan is considered non-performing if it is more than 35-90 days overdue. For more information, please refer to Section – XI. "Portfolio Management – Debt collection".

	As at 31 December 2023 (Unaudited)	As at 31 December 2022 (Unaudited)	As at 31 December 2022 (Unaudited)
Sale of repossessed vehicle from agreement termination date (in days)	73	73	82

5. Classification of our Loan Portfolio

	As at 30 June 2024 (Unaudited)		As at 30 June 2023 (Unaudited)	
	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio
Performing loan portfolio	313.1	93%	255.5	93%
Non-performing loan portfolio ¹³	22.6	7%	19.1	7%
Total loan portfolio	335.7	100%	274.7	100%

	As at 31 December 2023 (Unaudited)		As at 31 December 2022 (Unaudited)		As at 31 December 2021 (Unaudited)	
	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio	Net loan amount (in million EUR)	% of portfolio
Performing loan portfolio	292.1	93%	265.3	94%	235.8	96%
Non-performing loan portfolio ¹⁴	21.0	7%	17.8	6%	10.1	4%
Total loan portfolio	313.1	100%	283.1	100%	245.9	100%

¹³ A loan is classified as non-performing if it is more than 35-90 days overdue, depending on the product type. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

¹⁴ A loan is classified as non-performing if it is more than 35-90 days overdue, depending on the product type. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

6. Performing Loan Portfolio by Product

	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Unaudited)	
		Net loan amount (in million EUR)	
Vehicle loans	204.5	188.0	
Consumer loans	108.6	67.6	
Total loan portfolio	313.1	255.5	

	As at 31 December 2023 (Unaudited)	As at 31 December 2022 (Unaudited)	As at 31 December 2021 (Unaudited)
		Net loan amount (in million EUR)	
Vehicle loans	192.0	201.8	176.8
Consumer loans	100.1	63.5	59.0
Total loan portfolio	292.1	265.3	235.8

7. Non-performing Loan Portfolio by Product

	As at 30 June 2024 (Unaudited)	As at 30 June 2023 (Unaudited)
	Net loan amount (in million EUR)	Net loan amount (in million EUR)
Vehicle loans ¹⁵	17.5	15.5
Consumer loans ¹⁶	5.1	3.6
Total non-performing loan portfolio	22.6	19.1
Total value of loans issued	167.0	129.3
Non-performing loans as a share of value of loans issued	14%	15%

¹⁵ A vehicle loan is classified as non-performing if it is more than 35 days overdue. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

¹⁶ A consumer loan is classified as non-performing if it is more than 90 days overdue. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

	As at 31 December 2023 (Unaudited) Net loan amount (in million EUR)	As at 31 December 2022 (Unaudited) Net loan amount (in million EUR)	As at 31 December 2021 (Unaudited) Net loan amount (in million EUR)
Vehicle loans ¹⁷	16.3	14.1	7.7
Consumer loans ¹⁸	4.7	3.7	2.4
Total non-performing loan portfolio	21.0	17.8	10.1
Total value of loans issued	290.6	291.3	321.3
Non-performing loans as a share of value of loans issued	8%	6%	3%

8. Allowance for Loan Losses

	As at 30 June 2024 (Unaudited)		As at 30 June 2023 (Unaudited)	
	Net loan amount	Allowances for loan losses	Net loan amount	Allowances for loan losses
	(in million EUR)			
Non-performing loan by product:				
Vehicle loans	17.5	34.4	15.5	29.3
Consumer loans	5.1	36.4	3.6	36.5
Total non- performing loan portfolio and allowances	22.6	70.8	19.1	65.8

¹⁷ A vehicle loan is classified as non-performing if it is more than 35 days overdue. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

¹⁸ A consumer loan is classified as non-performing if it is more than 90 days overdue. For more information, please refer to Section – XI. “Portfolio Management – Debt collection”.

	As at 31 December 2023		As at 31 December 2022		As at 31 December 2021	
	(Unaudited)		(Unaudited)		(Unaudited)	
	Net loan amount	Allowance s for loan losses	Net loan amount	Allowances for loan losses	Net loan amount	Allowance s for loan losses
	(in million EUR)					
Non-performing loan by product:						
Vehicle loans	16.3	24.8	14.1	28.3	7.7	21.2
Consumer loans	4.7	38.8	3.7	29.3	2.4	23.1
Total non- performing loan portfolio and allowances	21.0	63.6	17.8	57.6	10.1	44.3

9. Operating Results

During the year 2023 the Group significantly scaled down operations in Belarus, and the Group has decided to reclassify the entity in Belarus from an asset held for sale to a discontinued operation as at the end of 2023. In January 2024, the Group received all the necessary approvals from Belarussian government authorities with respect to the Mogo Belarus sale. Proceeds from the transaction have been received in the second quarter of 2024 and the sale is fully finalized. The majority of the proceeds will be used for the repayment of the Group loan.

For reporting purposes, Mogo Belarus is classified as a discontinued operation and the comparative EBITDA, Revenue, Net Portfolio, Net profit before FX and other metrics have also been restated to show the Belarus as discontinued for comparability.

10. Significant changes in the financial performance and position of the Group

There has been no significant change in the financial performance and in the financial position of the Group since the date of the latest unaudited condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2024.

VIII. BUSINESS

1. Overview

Eleving Group, formerly known as Mogo Finance, is the holding company of a group comprised of a number of fast-growing financial technology companies. Eleving Group has driven innovation in financial technology around the world since its foundation in Latvia in 2012. As at today, the group operates in 16 countries and 3 continents, encouraging financial inclusion and upward social mobility in underserved communities around the globe. Eleving Group has developed a multi-brand portfolio for its vehicle and consumer finance business lines, with around 2/3 of the portfolio comprising secured vehicle loans and mobility products, with Mogo as the leading brand, and around 1/3 of the portfolio including unsecured consumer finance products, with Kredo and Tigo as the segment's flagship brands. Currently, 55% of the group's portfolio is located in Europe, 32% in Africa, and 13% in the rest of the world.

The Group's historical customer base exceeds 1,280,000 customers worldwide, while the total volume of loans issued goes beyond EUR 1.8 billion. With headquarters in Latvia, Lithuania, and Estonia and a governance structure in Luxembourg, the Group ensures efficient and transparent business management, powered at the operational level by 2809 employees. For two consecutive years, in 2020 and 2021, the Group was listed among Europe's 1000 fastest growing companies by the Financial Times.

The Group ended 2023 with solid results across all key business metrics, achieving adjusted EBITDA of EUR 77.5 million and reporting EUR 189.3 million in revenue and EUR 23.1 million in adjusted net profit. On 31 December 2023, the Group's net loan portfolio and rental fleet reached EUR 320.3 million. During Q2 2024, the international credit rating agency Fitch upgraded Eleving Group's rating from B- to B with a stable outlook.

Since its formation in 2012, the Group has evolved from a Latvia-based start-up into an international group offering a wide range of financial solutions around the world. In May 2021, Mogo Finance announced its corporate brand change, becoming Eleving Group. A corporate brand change was a logical step for the Group, showing the evolution from a one-brand company focused on car finance to a multi-brand group with several lines of business and multiple brands across its vehicle and consumer financing products. The new brand captured the Group's revised goal of elevating customers' financing choices by giving access to innovative and sustainable financial solutions to different communities around the world. This change of corporate brand, paired with a focus on sustainability and ESG, was a necessary step to continue the Group's international growth. The Group's leading brand Mogo remains the main brand represented in the Group's vehicle finance products.

During 2020, the Group acquired consumer lending businesses in Moldova, North Macedonia and Albania, and in July 2023, it started the process of integration of SIA ECFG, better known as ExpressCredit, a consumer finance provider operating in Botswana, Namibia, Lesotho, and Zambia, into the Issuer's direct subsidiary AS Eleving Finance. The key factors for these transactions were the attractive growth potential due to their strong market position and similar product base, thus providing immediate operational and financial synergies. The acquired companies focus on long-term financing and have a similar mix of sales channels comprised of online platforms and physical presence. The experience of the Group with unsecured vehicle loans in the Baltics and also a strong presence and track record in the Eastern Africa region facilitated the integration of the new companies into Eleving's structure.

Starting from the second half of 2020, following the above-mentioned acquisitions, the Group has established two business lines: vehicle and consumer finance.

Eleving Vehicle Finance

Eleving Vehicle Finance provides vehicle financing products through a wide range of sales channels, which include: an online platform managed by Eleving, third party online car sales portals, physical branches and physical used car dealers. The financing products are offered up to EUR 25 thousand in size and in terms up to 84 months. Eleving Vehicle Finance fills a funding gap by providing alternative ways of vehicle financing and creates new opportunities for people who previously did not have access to private means of transportation.

Eleving Vehicle Finance specializes in vehicle loans, finance lease and leaseback arrangements. In a finance lease, customers can select a vehicle that an Eleving Vehicle Finance company purchases on their behalf. Throughout the lease period, lessees use the vehicle while making installment payments. Typically, the vehicles are 12 to 18 years old. Upon repayment of the principal, the lessee assumes legal ownership. Conversely, under a leaseback contract, an Eleving Vehicle Finance company acquires a vehicle directly from the customer. Despite the transfer of ownership, the customer retains usage rights and continues making monthly installments. Upon full repayment, ownership reverts. These core products constitute 44.9% of Eleving Group's total net loan portfolio as at 30 June 2024.

In addition, Eleving Vehicle Finance offers flexible lease and subscription-based products, comprising 21.9% of the portfolio. In Lithuania, the Group offers rent-to-buy solutions, granting customers the flexibility to return or exchange vehicles anytime. In Eastern Africa, the Group focuses on productive lending through car loans, targeting self-employed riders and SMEs with ICE and electric motorcycle and three-wheeler financing for passenger transport or deliveries. Since late 2023, an electric retrofitting product was introduced in Kenya, reinforcing the promotion of sustainable mobility by extending the life cycle of used ICE motorcycles.

Notably, in 2022, the Group introduced OX Drive, an electric car-sharing service available in Riga and neighboring cities. This service caters to individuals seeking high-end and eco-friendly mobility solutions for short-distance travel needs.

The proven business model of Eleving Vehicle Finance is built around high demand for quality pre-owned vehicles in Central and Eastern Europe as well as demand for new motorcycles in East Africa and it is realized through an innovative, data-driven and fast process. This process is led by IT investments together with strong controls, an efficient debt collection process, and direct partnerships with used car dealer networks. With a focus on secured lending against a used vehicle's title, Eleving Vehicle Finance has unlocked a niche market for financial services and is a first mover in this sector benefitting from economies of scale and competitive advantage.

Eleving Consumer Finance

Eleving Consumer Finance focuses on countries with high levels of financial inclusion and communities underserved by conventional financial institutions. There is usually no "middle ground" between difficult-to-access bank financing and very limited, expensive short-term loans. Eleving Consumer Finance companies are often the only ones offering online and offline customer service experiences for diverse customer groups. With over 180 branches in Moldova, North Macedonia, Albania, Botswana, Namibia, Zambia, and Lesotho, Eleving Consumer Finance companies offer flexible financial products – from credit lines to installment loans, providing access to substantial funds to customers that meet the Group's credit assessment benchmarks. This business line accounts for 33.2% of the total portfolio.

The key consumer financing product Eleving Consumer Finance offers is a long-term unsecured loan with regular fixed monthly payments. Interest rates differ based on the product, loan size, and term, with decreasing pricing for longer maturities. A customer may repay the outstanding loan balance in full at any time or make required minimum payments by the loan agreement terms.

Geographical Markets

The Group's main headquarter is located in Riga (Latvia) and some of the regional functions are managed also from Vilnius (Lithuania) and Tallinn (Estonia). Eleving currently operates through local entities in sixteen countries – with the vehicle financing business line present in ten of them (Latvia, Lithuania, Estonia, Georgia, Romania, Moldova, Armenia, Uganda, Kenya, and Uzbekistan) and consumer financing in seven (Albania, Moldova, North Macedonia, Lesotho, Zambia, Botswana and Namibia).

Marketing Channels and Underwriting

Eleving uses diversified marketing channels to reach potential customers. The Group's marketing strategies are tailor made and specific to the country where the loans will be originated, stretching from traditional mass media (including television and radio) to digital channels, search engine optimization and affiliates marketing. Eleving has established a large network of partnerships and brokers (car dealerships, non-banking financial intermediaries) which are key to the Group's success and further growth.

Once customers apply for financing, their creditworthiness is determined through a sophisticated underwriting process, which relies on data-driven statistical analysis as captured in Eleving's proprietary scoring models for vehicle and consumer finance. In addition, Eleving has developed automated instant car valuation models. These models are flexible and can be adjusted to changes in the macroeconomic environment in a particular jurisdiction, allowing Eleving to adapt quickly and to maximize existing opportunities. IT investments and the Group's underwriting process enable Eleving to issue instant preliminary offers based on a car value and a customer's creditworthiness scoring, ensuring an efficient and expedited process for each customer. Eleving can change a car's title in a short period of time and physically inspects all vehicles that are funded. Eleving's customer service is provided in local languages and expedited through a network of call centers in all operating countries and branches in all of its countries of operation. Eleving has established an efficient debt collection process to maximize the recovery rate from the loans including the sale of the financed cars.

Sustainability and ESG

As a financial institution with operations and clients around the world, Eleving promotes sustainable business practices and helps clients capitalize on opportunities that achieve positive environmental and social impacts.

One of the Group's priorities is to measure its non-financial performance according to internationally recognized metrics by the global investors' community. At the end of 2020, Eleving launched its non-financial reporting practice in the framework of Environmental, Social and Governance (“**ESG**”) reporting. ESG reporting aims to provide disclosure and data transparency on environmental, social, and corporate governance aspects, thus ensuring that key stakeholders have the relevant information that is needed to make informed decisions about the Group's ability to make a positive impact and create value through its ESG initiatives in the short, medium and longer term. All non-financial reports are available on the investor section of the company's website for further inspection: <https://eleving.com/investors>.

Overview of performance of the Issuer's business and of its position for the interim period

Eleving Group concluded the first half of 2024 with robust consolidated results, achieving revenues of EUR 102.0 million, reflecting an increase of 21% compared to the same period in the previous year. The Group's adjusted EBITDA reached a record high for a six-month period, amounting to EUR 43.6 million, representing a 28% increase compared to the corresponding period in 2023. The net loan portfolio (including rental fleet) grew to EUR 342.5 million as of the end of the first half of 2024, marking a 21% increase from EUR 283.8 million at the end of the first half of 2023. Net profit before FX and discontinued operations reached EUR 16.9 million during the first six months of 2024, a substantial 37% increase compared to the same period in the previous year (6M 2023: EUR 12.4 million). Net profit from continuing operations reached EUR 14.6 million, reflecting a 29% increase compared to the corresponding period in 2023 (6M 2023: EUR 11.4 million).

The improved net profit during the first half of 2024 was primarily driven by the quality of the loan portfolio, with impairment expenses decreasing by 5% to EUR 15.8 million (6M 2023: EUR 16.6 million) while revenues increased by 21% compared to the corresponding reporting period.

Loan issuance volumes grew to EUR 167.0 million, an increase of 29% compared to the corresponding period in 2023 (6M 2023: EUR 129.3 million). This growth was driven by heightened organic demand for the Group's products, expanded sales channels, and a reduction in local competition in certain markets.

Eleving Group also experienced significant growth in customer activity within the Vehicle Finance segment. The number of loan applications during Q2 2024 increased by nearly 29% compared to Q1 2024, and the six-month figures surged by over 71% compared to the same period last year. Noteworthy growth in applications was observed across most markets, with the Latvian and Romanian car financing segments and the motorcycle segment in East Africa being particularly prominent. The number of vehicles financed also increased during Q2 2024, driving a 17% growth compared to Q1 2024, while the Group maintained prudent underwriting standards and kept the conversion rate stable at 8.1% during Q2 2024.

The Group's Consumer Finance business line continued its trajectory of setting new loan issuance volume records, reaching EUR 44.8 million in Q2 2024, an increase of 6.5% compared to Q1 2024. In its mature European Consumer Finance markets, the Group maintained a stable net portfolio size, while substantial growth was recorded in the Sub-Saharan region, where loan issuance volumes reached EUR 15.7 million during Q2 2024, up by EUR 3.4 million compared to Q1 2024. The African Consumer Finance operations also set a new record in the number of loans issued, reaching 55,250 loans, surpassing the Q1 2024 result by 20.7%. This was achieved while maintaining prudent underwriting standards, with conversion rates for all Consumer Finance business lines only marginally increasing by 3.5 percentage points to 34.3% in Q2 2024 (Q1 2024: 30.8%).

Despite the significant increase in applications and loans issued, the Group effectively managed marketing expenses, with the marketing expense-to-revenue ratio increasing by only 0.1% to 2.0% in the first half of 2024 (6M 2023: 1.9%). Overall, marketing expenses remained stable, increasing by only EUR 0.4 million to EUR 2.0 million during the first half of 2024, compared to the same period last year (6M 2023: EUR 1.6 million).

Eleving Group ended the first half of 2024 with a strong financial position, supported by an increase in equity including subordinated borrowings to EUR 87.4 million (31

December 2023: EUR 81.9 million), a capitalization ratio of 26.0% (31 December 2023: 26.1%), an interest coverage ratio (ICR) of 2.4 (31 December 2023: 2.3), and net leverage of 3.3 (31 December 2023: 3.7). Furthermore, reflecting the Group's enhanced balance sheet structure and sustained profitability, Fitch Ratings upgraded the Group's credit rating from "B-" to "B" with a stable outlook during Q2 2024. This upgrade underscores Eleving Group's progress in fundraising, capital allocation, execution of its long-term strategy, and strengthening of corporate governance.

2. Strategy

Eleving's management emphasizes sustainable growth in its existing markets in the Group's development plans.

Eleving's strategy in vehicle financing is to enable social mobility, focusing on two kinds of markets - developed and emerging markets. In the developed markets (Europe) the strategic goal is to become the leading mobility platform offering a wide range of products in used vehicle financing, premium car financing and subscription-based products for greater flexibility, like rent-to-buy, rent-to-own and flexible rent solutions. In the frontier markets (Africa and Central Asia) the strategy is to drive organic growth in core segments by focusing on productive lending that supports local entrepreneurs and taxi drivers, introducing subscription-based products, launching multiple social impact products targeted at decreasing unemployment and building a strong vehicle fleet management infrastructure.

The consumer finance business strategy includes expanding the product range by utilizing existing databases and shifting the portfolio to longer maturities and higher-loan amounts to secure long-term income streams. The strategy also emphasizes an increase in brick and mortar presence through partnerships with local retailers.

The core strategy for developing both business lines – vehicle and consumer finance – is to maintain similar product mix with 2/3 of portfolio secured and up to 1/3 of portfolio unsecured.

The Group has also a strategic focus on continuous digitalization of processes across the organization, including automation of loan issuance and underwriting processes for efficient resource allocation, and further development of sales channels, like launch of the latest version of car portal across all vehicle finance markets and upgrading partners' (POS / Dealerships) sales tools.

Financial Strategy

In developing and maintaining strategic capital management, the Group is focused on continuous improvement in financial covenants, in particular on ICR, leverage ratio, and the capitalization ratio as well as on exploring routes for attracting outside equity.

The backbone of Eleving's growth is to have access to diversified and efficient funding sources, including issuance of senior secured bonds. Such funding source provides benefits of having a very stable investor base as well as achieving immediate cost optimization by refinancing more expensive debt like marketplace and peer to peer loans.

ESG Strategy

Eleving's mission statement is to empower diverse communities around the world by providing them with financial inclusion, thus enabling upward social mobility. The revised mission statement closely intertwines with the recently established non-financial reporting practice as well as the launch of several social and ESG initiatives (such as women motorcycle school in Kenya and paperless office) that will be reflected

in Eleving's product performance going forward. Eleving has defined social impact contribution as crucial for sustainable business development. Eleving has committed to long term ESG targets and has launched several projects to help vulnerable and under-served groups across different markets.

3. Key Strengths

Proven and Sustainable Business Model

Eleving has two main business lines: vehicle finance and consumer finance. The Group's core focus remains vehicle finance, which comprises 67% of the consolidated net loan portfolio as at 30 June 2024.

The vehicles funded by Eleving are high quality used vehicles (top three car brands financed by Eleving are BMW, Toyota and Nissan) that are known for their reliability and robust aftermarket value. Therefore, the loan-to-value of the issued loans decrease constantly throughout the entire term. Moreover, by keeping a vehicle's title, Eleving can always sell the vehicle should a customer default on a loan.

While consumer finance loans issued by Eleving are primarily used for everyday spending or purchasing consumer goods and electronics, Eleving provides easy access to consumers, since it has both brick and mortar and online presence.

Across all of its products, Eleving analyses customers' creditworthiness via public and private databases (car register information, government institution databases, debt collection agency databases, industry / peer company blacklists and bank statement providers) and allocates a scoring band to each customer. The automated scoring models are developed in-house and, depending on the relevant country, are either integrated in the customer relationship management systems or run on third party cloud solutions. This allows Eleving an efficient assessment of a counterparty risk. The approval rate is extremely rigorous: in the 12 month-period from 30 June 2023 to 30 June 2023, out of approximately 1.4 million new client applications received for the Group's products, Eleving has kept an approval rate of 9.7% for vehicle financing products and 33.6% for consumer finance products.

Additionally, for the vehicle financing business Eleving has created a sophisticated automated car evaluation program. The underlying data is regularly updated through an automated process from leading local online car sale webpages and takes into account a large number of parameters, including car model, maker, year, transmission, mileage, engine type and engine size. Eleving automatically and instantly assesses a car's value by integrating relevant databases such as state authority databases, manufacturer records, stolen vehicles and accident databases, while requesting detailed technical information about a car and comparable screening criteria by reviewing main virtual car marketplaces in each relevant country.

Rigorous credit assessment, fast decision output, online and physical presence and the secured nature of the majority of the loans ensure that the risk profile of Eleving's products remains lower compared to traditional online unsecured lending products.

Eleving is a leading player in the European used car lending segment with a unique reach across a large number of European markets as well as operations in two Eastern African and one Central Asian markets. In its consumer finance business, Eleving is one of the leading non-bank lenders measured by the number of registered clients in each market where it operates.

Eleving's presence is solidified by a large network of branches in these countries as well as a widespread network of brokers and used car dealers. Eleving uses traditional and digital marketing channels. While Eleving is using a data-driven marketing strategy

as well as the dealer's and broker's network to attract potential customers, their acceptance as customers is ultimately determined by the scoring model based underwriting process.

Eleving has a proven track record and has developed a strong know how that allows its flexible business model to be implemented into new markets in an efficient way by leveraging on its knowledge and technology resources. Before entering a new market, Eleving conducts a detailed market analysis which includes an analysis of the legal framework, competition, country risk, data availability and other market conditions. Furthermore, Eleving performs an onsite visit to the country to meet potential partners and suppliers, and interviews potential local management candidates. Once a final decision to enter a new market is made, Eleving typically adapts existing models and business processes of existing markets to its new markets. This approach, together with an experienced hands-on regional management team, allows to quickly enter new markets and to maintain processes and credit risk assessments at a high level.

Simple and Transparent Product Offering

The Group's products are designed to offer simplicity, convenience and transparency to its customers. The convenient online and offline products aim to protect customer privacy, provide easy access to funding and offer transparent fee and interest structures. Vehicle finance products are long-term loans (up to 84 months), while consumer finance loans are both short-term and long term with maturities ranging from 7 days to up to 120 months. For all products, customers are charged with a nominal interest and fees, payable monthly on the outstanding principal amount. While penalty interests are charged for delayed loan payments, this is a minimal proportion of the Group's income and shows the resilience of its customer base.

Eleving's websites' design aims to be as simple and convenient as possible to use, providing clear terms and conditions. Typically, customers can expect a decision on whether a financing product, subject to a customer's jurisdiction and product type, is approved within a range of 5 minutes to 1 business day after submitting an application. Customers value Eleving's services because of the convenience and transparency offered compared to other available alternatives.

Large Physical Footprint Serving Customers in their Local Markets

A significant part of used car sales takes place at physical locations, where potential customers can see and test a car while interacting with a seller directly. Because of this trend, Eleving introduced dedicated partner account managers and specific partner programs in order to establish close business relationships with used car sellers. The Mogo, Renti and Primero brand is then promoted when a potential customer approaches a car seller with an inquiry about available financing options. As at 30 June 2024, Eleving had entered into cooperation contracts with more than 2,220 car dealerships out of which more than 1,340 are considered active car dealerships with at least one car sale in the reporting period.

In its consumer finance business, as at 30 June 2024, Eleving had more than 180 branches across its markets, allowing the Group to serve wider population and adapt to different clients' needs.

As at 30 June 2024, Eleving had more than 270 branches in 16 countries of operation, strategically located to address its customers' needs across its both business lines.

Innovative, Data-driven Business Processes

Eleving is constantly investing in digitalization, data processing and risk solutions. Such investments, together with Eleving's experience and expertise in providing

innovative and data-driven financial services, strengthen the Group's position to stay ahead of its competitors in terms of ease of use, customer convenience and product offering. In addition, the Group's IT systems have demonstrated a track record for reliability and uninterrupted performance with no instances of significant system downtime in the last 3 years. Eleving believes that its in-house IT team will be able to maintain the current service level and further develop and strengthen the performance of its IT systems.

Eleving uses a data-driven analysis and a data-driven decision-making process in all aspects of its business. The use of data improves the assessment of existing and potential customers, helps optimize marketing expenditures, enhances credit risk management, and facilitates efficient new product development. Predictive data from alternative sources, in addition to traditional data sources such as credit bureaus, is used for a customer's valid credit scoring.

Sophisticated Marketing Technology

Eleving's marketing technology is increasingly sophisticated and allows for a dynamically adjusted investment in different marketing channels to optimize the amount and type of traffic directed to the Eleving websites by analysing traffic quality and conversion rate of attracted leads in real time. This targeted data-driven approach attracts potential customers who are more likely to apply for the Group's loans, and reduces costs per acquisition of new customers, an important component of the operating costs.

Dynamic Customer Scoring

Eleving's in-house expertise with proprietary credit scoring models containing anonymous information from over 8.0 million loan applications (since inception to 30 June 2024), including both traditional and alternative data points, provides valuable insight into customer trends in existing markets. Since its inception to 30 June 2024, Eleving has issued more than EUR 1.8 billion in aggregate loans and contracted with around 1.3 million registered customers. Eleving continuously learns and analyzes anonymously customer behavior patterns in all the markets where it operates and applies and tests this experience when entering into new countries.

The dynamic credit scoring model aims to ensure that Eleving captures the highest quality and potentially most profitable customer base in the existing and prospective markets. Eleving aims at setting acceptance thresholds that both minimize risks and maximize profitability. The rate of non-performing loans as a percentage of net loan portfolio has been stable and was 5% as at 31 December 2023, compared to 7% as at 31 December 2022 and 6% as at 31 December 2021. Such ratio takes into account the rate of non-performing loans as at a specific date (for example, 31 December 2023) as a percentage of net loan portfolio of Eleving at that point in time.

Real Time Car Valuation

For the purpose of evaluating used cars, Eleving has internally developed an assessment program with multiple integrations with different databases, such as state transport authority databases, stolen vehicle databases, accident databases, manufacturer records and others. This approach allows Eleving to obtain detailed technical information about a vehicle and its legal status. Eleving has also developed integrations with main virtual car marketplaces in each country. While using these marketplaces Eleving is able to obtain comparable car screening data in each respective country and prepare an instant car valuation.

Customer Service Focused on High Customer Satisfaction

Customer satisfaction and operational excellence is the key for Eleving in order to serve its customers at the core of their needs once they have made a choice of buying a new car or applying for a consumer loan.

Eleving has developed a customer service division with more than 990 full-time specialized employees as at 30 June 2024, delivering increasingly convenient customer support in local languages across all markets. Eleving continuously works to improve customer satisfaction by creating personal contact with its customers through telephone calls, e-mails and chats, among others, to discuss product options, address customers' questions, inform customers of their payment due dates and encourage on time payment, discuss options of late payments and help customers with their applications. In addition, Eleving carefully monitors different customer service quality ratios, such as call waiting minutes and abandoned calls. Customer service quality is one of the reasons why customers return to Eleving for more credit.

Established and Efficient Debt Collection Procedures

Eleving has developed policies and procedures for internal debt collection with proven cost and recovery efficiencies.

Eleving primarily handles all debt collection and car repossession activities in-house. Eleving has gained substantial expertise in debt collection strategies over the years. In certain countries, Eleving outsources parts of the debt collection activities to test and compare the efficiency of internal versus external debt collection. Eleving monitors the results of debt collection procedures and aims to implement the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the debt collection process.

Eleving does not employ controversial payment collection practices, such as the use of continuous payment authority or the siphoning of money from customers' bank accounts. Such practices are controversial and will or may become illegal in certain jurisdictions. Due to this fact, and also from a customer relations and loyalty perspective, Eleving strongly believes that its business model is more sustainable than those of other competitors that do engage in that type of debt collection practices.

The repossessed car sales process is handled primarily in-house. In certain newly established countries, parts of the repossessed car sales activities are outsourced to establish the most efficient repossessed car sales models and not to lose any collateral value at the very beginning of such a newly established country's operational phase. Eleving monitors the results of repossessed car sales procedures and implements the most appropriate and efficient procedure in each jurisdiction, thereby increasing the effectiveness of the repossessed car sales process.

Strong Financial Position and Controlled Foreign Currency Exposure

Eleving has demonstrated strong cash flow and profitability characteristics. In the year of 2023, a high net profit before tax margin and return on average assets of 16% and 6%, respectively has been reached. Eleving employs a conservative strategy regarding the maturity profile of the balance sheet by trying to match the duration of assets versus liabilities. Eleving operates with a highly efficient cost base and infrastructure. The cost to income ratio of the Group is at 39% as at 30 June 2024. Eleving believes that this has supported the stable historic growth profile.

Eleving issues loans denominated in euro currency in markets where local regulations allow it. Where this is not possible Eleving chooses one of the following options – i) the relevant company issues loans in local currency linked to either EUR or USD; ii) the relevant company uses a natural hedge by obtaining debt in a local currency to the

extent possible; iii) loans provide for upwards adjusting of their effective interest rate to price in any potential adverse foreign exchange currency movement. Eleving proactively hedges its USD linked exposure by entering into non deliverable forward contracts.

Experienced Management with Proven Track Record

The executive team and country managers of Eleving consist of experienced professionals who have worked in different segments of the international financial market and the banking sector for more than 7 years each. Their knowledge, experience and support have proven to be significant assets to Eleving both on the strategic front and in the development of new products. Their knowledge, experience and support are an asset for Eleving and provide Eleving with a significant competitive advantage.

4. Products

As at 30 June 2024, the Group's two business lines – vehicle finance and consumer finance – provide a variety of products and services, thus, filling the funding gap and creating new opportunities for people who previously did not have access to required financing or to private means of transportation. The vehicle finance business is then split into two sub-categories, based on the essence of the provided products and services – traditional vehicle finance and flexible lease and subscription.

- a. Traditional vehicle finance** – a product provided under the Mogo brand in all the vehicle finance markets and premium car leasing under the Primero brand in Latvia.

Eleving offers traditional vehicle finance products to customers in all the countries of operation. As part of the financing service, in European and Central Asian countries Eleving purchases a vehicle that a customer (lessee) has selected, the lessee then can use the vehicle during the lease period and pay a series of installments. Eleving pays a car seller only once it has inspected the vehicle and received an official record confirming that the vehicle has been registered under Eleving's name. At that point the lessee becomes the holder of the vehicle while Eleving retains the legal ownership of it. The majority of the purchased cars are pre-owned, 3 to 20 years old. After the full principal repayment of the loan, the lessee becomes the legal owner of the vehicle.

In Africa the customer is the legal owner of the vehicle, and Eleving issues credit against the vehicle collateral. The majority of the financed vehicles are pre-owned, 3 to 20 years old.

Eleving provides loans in amounts up to EUR 15,000 (up to EUR 25,000 for Primero brand) for a term of up to 84 months. Customers have the option to repay the loan before the end of the term. In each of the markets where Eleving operates, the nominal interest and fees levied ranges on average from 1.7% to 6.6% per month depending on the product type and characteristics with lower pricing typically applied for longer term loans. In certain countries Eleving applies a 4.6% to 10.0% issuance commission depending on product type and characteristics, which is normally added to the principal amount.

The table below describes key terms for customers of the Traditional vehicle finance in the countries of operation, ordered in accordance with the launch date of operations in the respective countries. For the relevant websites used for the products, see "*Business— Intellectual property*".

Country	Launch Date	Product Name	Approx Minimum Amount (EUR) ¹⁹	Approx Maximum Amount (EUR) ²⁰	Term (months)	Application
Latvia	September 2012	Traditional vehicle finance	2,500	15,000	12 - 84	Online, offline (by phone or own branches), partners
Lithuania	July 2013	Traditional vehicle finance	2,000	15,000	12 - 84	Online, offline (by phone or own branches), partners
Estonia	August 2013	Traditional vehicle finance	500	15,000	12 - 72	Online, offline (by phone or own branches), partners
Georgia	June 2014	Traditional vehicle finance	350 (GEL 1,000)	21,100 (GEL 30,000)	3 - 84	Online, offline (by phone or own branches), partners
Romania	January 2017	Traditional vehicle finance	1,000 (RON 5,000)	12,000 (RON 60,000)	6 - 60	Online, offline (by phone or own branches), partners
Moldova	September 2017	Traditional vehicle finance	500 (MDL 20,000)	15,000 (MDL 300,000)	18 - 60	Online, offline (by phone or own branches), partners
Armenia	August 2017	Traditional vehicle finance	830 (AMD 350,000)	47,600 (AMD 20,000,000)	24 - 84	Online, offline (by phone or own branches), partners
Uganda	May 2019	Traditional vehicle finance	500 (UGX 2,000,000)	7,500 (UGX 30,000,000)	6-36	Online, offline (by phone or own branches), partners
Kenya	April 2019	Traditional vehicle finance	599 (KES 70,000)	14,085 (KES 1,137,939)	6-36	Online, offline (by phone or own branches), partners

¹² In brackets in local currency, where applicable.

¹³ In brackets in local currency, where applicable.

Uzbekistan	December 2018	Traditional vehicle finance	1,500 (UZS 25,243,168)	11,000 (UZS 123,764,347)	12-60	Online, offline (by phone or own branches), partners
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In all of the countries of operation, Eleving offers the traditional vehicle finance via its online platform, phone, branch or broker/dealer network.

Traditional vehicle finance is Eleving’s core product and represented 45% of the total net loan portfolio as at 30 June 2024.

b. Flexible lease and subscription – products provided under the Renti brand in Lithuania, and boda-boda financing under Mogo brand in Kenya and Uganda.

Eleving offers a rent-to-buy product which is designed with ultimate flexibility in mind so that customers can choose the vehicles they want, with a peace of mind that they are not locked into a contract for the same vehicle for a long period of time. The table below describes key terms for customers of the product in the countries of operation, ordered in accordance with launch date of operations in the respective countries. For the relevant websites used for the products, see “Business— Intellectual property”.

Country	Launch Date	Product Name	Approx Minimum Amount (EUR)	Approx Maximum Amount (EUR)	Term (months)	Application
Lithuania	December 2021	Rent-to-buy	2,000	15,000	12 – 60	Online, offline (by phone or own branches), partners

In Kenya and Uganda Eleving finances boda-bodas (motorbike taxis) and tuk-tuks (three-wheel taxis) riders, which is a perfect solution for self-employed individuals, who use mobility as a source of income. A boda-boda is a small motorcycle widely used for taxi services and cargo deliveries in East Africa. The customer is the legal owner of the vehicle, and Eleving issues credit against the vehicle collateral. The majority of the financed motorcycles are new, and in 2023 Eleving launched financing for electric motorcycles to facilitate the adoption of EVs in Africa. The table below describes key terms for customers of the product in the countries of operation, ordered in accordance with launch date of operations in respective countries. For the relevant websites used for the products, see “Business— Intellectual property”.

Country	Launch Date	Product Name	Approx Minimum Amount (EUR) ²¹	Approx Maximum Amount (EUR) ²²	Term (months)	Application
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¹⁴ In brackets in local currency, where applicable.

¹⁵ In brackets in local currency, where applicable.

Kenya	April 2019	Motorcycle taxi loans	528 (KES 50,000)	3,043 (KES 500,000)	12-36	Online, offline (by phone or own branches), partners
Uganda	May 2019	Motorcycle taxi loans	400 (UGX 1,700,000)	1,650 (UGX 11,000,000)	12-30	Online, offline (by phone or own branches), partners

Rent-to-buy services and Motorcycle-taxi loans represented 8% and 14.0% respectively of the total net loan portfolio as at 30 June 2024.

c. Consumer finance – a product provided under Kredo, Bongo, Tigo and Sebo brands in Albania, North Macedonia and Moldova respectively and ExpressCredit in Zambia, Botswana, Namibia and Lesotho.

As at 30 June 2024, Eleving offers uncollateralized consumer loan products (“**Consumer finance**”) to customers in Albania, North Macedonia, Moldova, Zambia, Botswana, Namibia and Lesotho. The Consumer finance products are unsecured loans with amounts of up to EUR 18.000 and for a term of up to 120 months. The Consumer finance loans are typically amortized in monthly installments. The main Consumer finance products are short-term and long-term unsecured loans designed to help customers solve various household-related needs and expenses, such as home repairs, appliance purchases, or unexpected bills. This short-term financial solution is designed to be paid in full at the end of the loan term, which ranges from 7 to 30 days. Eleving also offers an option to choose a long-term unsecured loan where the repayment of the principal and interest is split into small monthly installments. For customers with greater needs for financial input, Eleving offers a long-term unsecured loan, with regular scheduled monthly fee payments and repayment of the principal at the end of the loan term. As at 30 June 2024, Eleving charges an average monthly interest rate of 7.9% in the European markets and 7.0% in the African markets. Interest rate differs based on a product, amount of a loan and a loan’s term, with decreasing pricing for longer maturities. A customer may repay the outstanding loan balance in full at any time or make required minimum payments in accordance with the terms of the loan agreement.

The table below describes key terms for customers of the Consumer finance in the countries in which Eleving operates as at 30 June 2024.

Country	Product Name	Minimum Amount per month (EUR) ²³	Maximum Amount per month (EUR) ²⁴	Term (days)	Application
Albania	Consumer Finance	39	1,975	7-1460	Online and offline

¹⁶ In brackets in local currency, where applicable.

¹⁷ In brackets in local currency, where applicable.

		(ALL 4,000)	(ALL 200,000)		
Moldova	Consumer Finance	53 (MDL 1,000)	2,927 (MDL 55,000)	Flexible-730	Online and offline
North Macedonia	Consumer Finance	33 (MKD 2,000)	3,254 (MKD 200,000)	7-730	Online and offline
Zambia	Consumer Finance	8 (ZMW 200)	3,760 (ZMW 100,000)	14-1095	Online and offline
Botswana	Consumer Finance	34 (BWP 500)	18,000 (BWP 265,000)	30-3650	Online and offline
Namibia	Consumer Finance	25 (NAD 500)	5,000 (NAD 100,000)	7-1095	Online and offline
Lesotho	Consumer Finance	75 (LSL 1,500)	2,500 (LSL 50,000)	90-1460	Online and offline

As at 30 June 2024, the average amount of issued Consumer finance loans was EUR 375.

Prospective customers may apply for Consumer finance services either through Eleving subsidiary's online platform or at its branches.

Consumer financing loans represented 33% of the total net loan portfolio as at 30 June 2024.

d. Car sale business – a product provided by Mogo Auto Limited in Kenya

During the 2023 financial year, the Group has started with the sale of vehicles and other goods in Kenya. The revenue from the sale of vehicles and other goods (after deduction of expenses from contracts with customers) represents a minor part of the total revenue of the Group.

Revenue from contracts with customers recognized point in time	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	As at 31 December 2022
	(in Million EUR)			
Income from sale of vehicles and other goods	2.8	0.5	1.9	0.2

Total	2.8	0.5	1.9	0.2
Expenses from contracts with customers recognized point in time	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	As at 31 December 2022
	(in Million EUR)			
Expenses from sale of vehicles and other goods	2.6	0.5	1.8	0.2
Total	2.6	0.5	1.8	0.2
Total net revenue from contracts with customers recognized point in time	0.2	-	0.15	0.0

e. Key future product development

The Group is constantly testing new financing products to better serve its customers' needs and expand its product range. As an example, Eleving is currently implementing shorter maturity consumer lending products tailored to local entrepreneurs in Botswana, Zambia and Namibia. At the same time it is testing a mobile phone financing product in Kenya and Uganda. This product was introduced in 2023 and is still in a testing phase in order for the Group to familiarize itself with the underwriting rules, technical solutions, the sales channels and other market standards.

The Group has started financing electric motorcycles in Kenya in 2023 in Uganda in 2024. Eleving is partnering with electric motorcycle producers to offer customers tailored financing solutions. The product characteristics are similar to that of regular motorcycle loans, nevertheless, EV pricing is *circa* 20% lower, since the average loan amount is higher than regular loans due to the higher prices of motorcycles. The Group expects that in the next 3-4 years electric motorcycle product will account for 30-50% of all motorcycle financing issuances in Kenya and Uganda.

The Group is contemplating to engage in SME financing in the future. As from 2025, the Group aims to start offering in SME's located in an EU market (possibly in Romania), loans for an amount of up to EUR 50,000 – EUR 100,000. Such loans will be secured via collateral such as real estate assets or receivables. It is expected that the product will be in a testing phase in 2025 and, in case it is successful, will be scaled up in subsequent years.

5. Geographic Markets

Eleving's revenues are geographically diversified, spanning 3 continents and 16 countries, and the majority of the net loan portfolios for each respective country is within a 5%-15% range. Net portfolio split: continental Europe – 55%, Africa – 32%, other countries – 13%.

Revenues are derived from these markets where Elevation operates:

- Latvia (since September 2012);
- Lithuania (since July 2013);
- Estonia (since August 2013);
- Georgia (since June 2014);
- Romania (since January 2016);
- Armenia (since August 2017);
- Moldova (since September 2017 with respect to vehicle finance business);
- Uzbekistan (since December 2018);
- Kenya (since April 2019);
- Uganda (since May 2019);
- Albania (since acquisition in summer 2020);
- North Macedonia (since acquisition in summer 2020);
- Moldova (since acquisition in summer 2020 with respect to consumer finance business);
- Zambia (since integration in summer 2023);
- Botswana (since integration in summer 2023);
- Namibia (since integration in summer 2023);
- Lesotho (since integration in summer 2023).

Eleving's management expects that the proportion of these markets in the loan portfolio will increase in 2024 and beyond, while existing core markets will continue to grow.

Before entering new markets, Eleving carefully considers local regulatory and tax issues, typically hiring international or local legal and/or tax advisors for advice on such matters. Eleving then also obtains general market research from its advisors on the new country's market environment. Before starting operations, Eleving also typically collects statistical data on the industry as a whole, such as availability of credit bureaus, and other data, such as the size of the used car market, competitive factors, potential partnerships, the environment and potential customer base in the new markets. Once a country is selected for expansion, Eleving starts to test the market and adapts its scoring and decision-making systems to the new country.

A breakdown of total revenues by operating segment and geographic market as at 30 June 2024, 30 June 2023, 31 December 2023, 31 December 2022, 31 December 2021 follows:

Total revenues by operating segment and geographic market

		As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
(in Million EUR)						
Traditional vehicle finance	Latvia	1.1	0.8	1.5	2.2	3.2
	Lithuania	1.3	2.0	3.5	5.7	9.1
	Estonia	1.7	1.7	3.4	3.7	3.9

Total revenues by operating segment and geographic market

	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
	(in Million EUR)				
Romania	7.8	6.3	13.1	11.9	8.9
Moldova	3.6	3.2	6.6	6.3	5.5
Europe	15.4	14.0	28.1	29.8	30.7
Kenya	9.5	9.6	20.4	16.7	8.2
Uganda	-	-	-	-	-
Africa	9.5	9.6	20.4	16.7	8.2
Georgia	4.7	4.2	8.6	8.1	5.9
Armenia	3.7	3.0	6.1	5.2	3.5
Uzbekistan	3.1	2.3	5.3	4.0	2.7
Rest of World	11.4	9.4	20.0	17.2	12.1
Total	36.3	33.0	68.5	63.7	51.0
Kenya	4.0	7.0	16.8	26.7	15.5
Uganda	9.7	9.2	19.3	14.8	3.8
Africa	13.7	16.2	36.1	41.5	19.3
Flexible lease and subscription					
Latvia (Renti)	1.0	1.9	3.0	5.4	7.2
Lithuania (Renti)	4.2	3.5	7.8	4.5	1.5
Latvia (Ox Drive)	0.9	0.4	0.8	0.3	-
Europe	6.1	5.8	11.6	10.2	8.7
Total	19.9	22.0	47.7	51.7	28.1
Moldova	6.2	7.4	14.9	16.7	18.5
Albania	15.7	12.6	26.8	20.6	12.7
North Macedonia	11.0	8.8	19.5	15.7	9.1
Ukraine	0.1	0.4	0.6	7.3	27.9
Europe	33.1	29.2	61.8	60.3	68.2
Consumer finance					
Botswana	4.0	-	5.1	-	-
Namibia	6.0	-	3.7	-	-
Zambia	2.2	-	2.0	-	-
Lesotho	0.5	-	0.5	-	-
Africa	12.7	-	11.3	0.0	0.0
Total	45.8	29.2	73.1	60.3	68.2

Net Loan and Used Vehicle Rent Portfolio by Region

	As at 30 June 2024	As at 30 June 2023
	(Unaudited)	(Unaudited)
	Loan amount (in million EUR)	
Europe (Latvia, Lithuania, Estonia, Romania, Moldova)	109.9	99.6
Consumer Finance (Albania, North Macedonia, Moldova, Ukraine, Zambia, Botswana, Namibia, Lesotho)	113.7	71.2
Africa and Central Asia (Kenya, Uganda, Uzbekistan)	86.2	83.6
Caucasus (Georgia, Armenia)	32.7	29.4
Net loan portfolio (including rental fleet)	342.5	283.8

Physical Footprint – Branches

As at 30 June 2024, Eleving had more than 270 branches in 16 countries of operation, which are strategically located to address the needs of all Eleving's customers.

For its vehicle finance business, Eleving has established branches in strategic locations, such as close to the largest local car markets, near (or within) car registries, or areas with high population density. The branch employees are responsible for formalization of a customer contract, visual inspection of a vehicle and any other customer service related tasks including processing of payments. Eleving's extensive branch network ensures a customer's journey to be as smooth as possible with only a few stops: first a used car seller, then an Eleving branch and, finally, a car registry office.

For its consumer finance business, Eleving has established branches across areas with high population density which is key to reaching and serving its customers. These branches are located conveniently to enable a customer to easily contact Eleving's customer service representatives. This enables Eleving to reach clients who prefer face to face customer service in the loan issuance process and/or payment in cash.

Active branches per country

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Latvia (vehicle finance)	1	1	1	1	1
Lithuania (vehicle finance)	2	2	2	3	7
Estonia (vehicle finance)	1	1	1	4	5
Georgia (vehicle finance)	11	11	10	8	8
Romania (vehicle finance)	1	1	1	1	1
Moldova (vehicle finance)	3	3	3	6	5
Armenia (vehicle finance)	6	6	6	5	5
Kenya (vehicle finance)	35	43	40	30	15
Uganda (vehicle finance)	18	15	16	12	9
Uzbekistan (vehicle finance)	8	7	7	6	5
Albania (consumer finance)	38	39	39	41	44
Moldova (consumer finance)	29	30	29	33	42
North Macedonia (consumer finance)	35	37	35	36	29

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Zambia (consumer finance)	22	-	19	-	-
Botswana (consumer finance)	21	-	21	-	-
Namibia (consumer finance)	39	-	29	-	-
Lesotho (consumer finance)	4	-	4	-	-
TOTAL	274	195	263	193	183

Physical Footprint – Car Dealers

A significant part of used car sales takes place in physical car sales markets. These are the places where potential customers can see and test a car and interact with a seller directly. Having recognized this opportunity, Eleving has put in place dedicated partner account managers and specific partner programs in order to establish a business relationship with used car sellers. The Eleving brand is then promoted when a potential customer approaches the car seller with an inquiry about available financing options. Such partnerships are beneficial for both – Eleving and the used car seller – as they help to reach Eleving’s customers at the core of the sales activity and they also help to drive the cars sales volumes of the car seller. As at 30 June 2024, Eleving has entered into cooperation contracts with more than 2,220 car dealerships out of which more than 1,340 are considered active car dealerships with at least one car sale in the reporting period. In some countries, the number of Eleving’s partnerships with local car dealers has decreased mainly due to changes in the competitive landscape of the relevant car dealership market, as smaller dealers are acquired or discontinue their business, while larger car dealers strengthen their market position.

Active car dealers per country

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
Latvia	41	57	48	72	138
Lithuania	60	54	103	101	113
Estonia	29	34	34	30	47
Georgia	13	14	20	30	42
Romania	288	247	265	252	197
Moldova	29	34	32	46	56
Armenia	28	18	27	33	45
Kenya	739	608	1235	1192	744
Uganda	85	-	96	81	75
Uzbekistan	35	19	48	41	29
TOTAL	1 347	1 085	1 908	1 878	1 486

6. Developments

Product development

Currently the Group is focusing on scaling up its core vehicle finance, consumer finance and mobility products across existing markets. In each market the Group tries to tailor its products to specific customer needs. In 2024 this will be the main strategy as there is still a significant potential for organic growth.

In the future the Group plans to enter the SME financing segment in its European markets, offering companies secured and unsecured financing products. First product roll-out in the current portfolio of countries is expected in year 2025 with the plan to add 1-2 new countries per year. The Group will be focusing on its existing European markets where it plans to utilize its extensive customer branch network, with limited upgrades using already developed IT systems and further capitalising on strong brand recognition.

Development of the Issuer's / Group's business

In Q3 2023, Eleving Group integrated ExpressCredit consumer financing business in four Sub-Saharan region countries. As a result, Botswana, Namibia, Zambia, and Lesotho joined the Group's portfolio.

In July 2023, Renti Plus business operations in Latvia were sold to Transporent Ltd, a Latvian subsidiary of the international mobility services provider SIXT. The respective transaction included the sale of more than 100 vehicles from the Renti Plus fleet and its active customer portfolio.

In January 2024, the Group received all the necessary approvals from Belarussian government authorities with respect to the Mogo Belarus sale. The sale was finalized in second quarter of 2024. For reporting purposes, Mogo Belarus is classified as a discontinued operation (also in comparatives).

An important milestone in digitalization was reached by launching an advanced online client cabinet for the Romanian market. The project will ensure active onboarding of existing clients and 24/7 account access. It will provide real-time information on agreements, customer information, payment history, and plans. On top of that, it will provide numerous payment methods that focus on promoting recurring (subscription) payments. It is planned to implement the respective project gradually across other Group markets.

Future Development of the Issuer's / Group's business

Eleving plans to expand its geographic footprint while launching 1-2 new markets per year starting in 2025. The Group's geographic growth will be focused on launching new markets in African and European regions. In the new markets Eleving will launch traditional vehicle financing and mobility products. Currently the Group is analyzing multiple markets and plans to select the next target for market launch in the second part of 2024.

Development of corporate finance

As part of its foreign currency exchange risk management strategy during the last quarter of 2023, the Group established cooperation with MFX Currency Risk Solutions (USA), Absa Bank (Kenya) and Absa Bank (Uganda). As a result, in January 2024, the Group companies entered into currency hedging contracts to cover the Group's exposure with respect to the Kenyan and Ugandan shillings.

One of the Group's companies located in Central Europe is subject to a tax audit by the relevant local body of authority, in order to verify the tax base for the period 2017-2022. Among the other matters, one of the Group's product (sale in installment with a

financing element), which was active over the period of 2016- 2020 (total sales volume EUR 29 million where the potential VAT effect under discussion is from zero (in positive scenario) and up to EUR 10 million (worst case scenario)) is analyzed, and more specifically, its treatment under relevant VAT legislation.

Despite the high level of certainty that the selected tax treatment is correct and according to local legislation with no adverse fiscal implications, in 2016 the subsidiary of the Group has applied for the Binding Tax Ruling, to which the answer was received on July 2020.

The Management of the Group has analysed the commentary and conditions disclosed in the mentioned Binding Tax Ruling, and decided that the actually applied VAT regime is fully compliant to VAT regulations and the possibility of cash outflows is remote. As of the date of this Prospectus, the Group does not have any tax audit conclusions. The management of the company believes that the outcome of the currently open tax audit is highly uncertain.

Environmental impact

In the sustainable mobility area, Elevation Group continued to roll out its electric car-sharing service in Latvia and electric motorcycle financing in Kenya. In 2023, over 3.2 million kilometers were commuted on pure electricity by the Group's clients. Therefore, both green mobility services have reduced the potential CO₂ emissions by approximately 300 to 315t, compared to the amount an internal combustion engine would have generated.

In mid-Q4, the Group launched a new initiative in Kenya – retrofitting internal combustion engine motorcycles to electric. The main objective of this product is to intensify the introduction of sustainable mobility in Kenya and to give a second life to pre-owned motorcycles, thereby extending their life cycle. By the end of the year, Mogo Kenya had already retrofitted several motorcycles, and a spike in demand is expected in 2024.

The Group has reduced the average CO₂ emission intensity in the vehicle portfolio (excluding the motorcycle segment) from 174.4 g/km (2022) to 167.5 g/km (2023), or by -4%.

The Group engaged in carbon offsetting campaigns organized by Carbon Footprint Ltd to compensate for the entire carbon footprint (114 tCO₂) arising from the operations of its headquarters in Riga and Vilnius. For the consecutive year, the Group co-financed the reforestation of the Great Rift Valley in Kenya, while for the first time, it participated in the Northern Ethiopia Community Safe Water project, aiming to provide clean water to local communities of Amhara National Regional State.

Impact to local communities

Around 30,000 unique users took the self-assessment test on the Group's financial literacy platform. The platform was most frequently visited from Kenya (20%), Latvia (17%), and Tanzania (13%) out of the total number of visitors.

Over 20% of the Group's portfolio serves the self-employed and SMEs, thereby increasing economic inclusion and the prosperity of local communities.

Other

In 2023 Elevation Group won the award for the Best Investor Relations at the pan-Baltic level among companies listed on the Nasdaq First North bond list.

IX. MARKETING

Eleving has invested in data-driven marketing analysis, allowing the deployment of an efficient marketing mix in each country and attracting potential customers in a targeted and performance based manner. Eleving's marketing spending for the year ended on 31 December 2023 was EUR 3.5 million, which constitutes 1% of total loans issued in 2023. Eleving follows a different marketing approach based on the peculiarities and competitive set of the relevant market, however, companies across the whole Group use all range of online/digital and offline marketing channels, like TV, radio, advertising on billboards and public transportation, and sponsorships.

Eleving's key marketing strategies include online marketing channels such as search display and social networks using a cost per click (CPC, also referred to as pay per click, PPC) model, which is a model of online marketing where advertisers pay a fee each time one of their ads is clicked. An increasing focus of Eleving's marketing strategy has been Search Engine Optimization (SEO), i.e., enhancing the visibility of a website in a search engine's unpaid search results. Affiliate marketing, where a commission is paid for each successful loan transaction, and other online marketing tools, such as website display advertising drive additional volume and coverage across the target audience.

Eleving's marketing strategies were developed and are constantly upgraded and updated based on its customer information, such as lifestyle, needs, financial and social position, as well as specific market conditions that are unique in every market where Eleving operates. In addition, the marketing strategy depends on the phase of development of Eleving's products in each country. When entering a new market, Eleving primarily employs performance-based marketing channels to build initial interest and drive customers to the relevant products while the risk profile and the website conversion is optimized and the partnership, branch and broker network are built. As Eleving realizes favorable unit economics, different brand building marketing activities are also considered in order to establish a top of mind brand in the segment.

1. Marketing Organization and Development

As at 2021, Eleving employs a matrix structure for its marketing operations. For each of the regions where Eleving operates, there is a dedicated marketing team in charge of designing a general marketing strategy, creating campaign structures and managing performance of each country. Further, each of the countries has its own marketing team, which is a mix of in-house and outsourced experts. This structure helps to optimize marketing costs and to ensure a high quality of marketing materials. Best practices are shared between the countries, a significant part of marketing materials are created centrally and similar campaign management structures are used.

Local marketing teams are split into several sub-divisions, with each working on a specific goal. The acquisition division works on optimizing channel mix to acquire customers. The conversion division works on converting acquired leads to customers by both ensuring efficient user experience and embracing sales tactics through direct sales channels (email, SMS, calls). The retention division leverages a mix of direct sales channels, discount strategy and loyalty programs to ensure repeated sales to high-performing customer segments. The brand and PR division increases brand awareness and positive view towards the brand which makes it easier for other divisions to reach their goals as customers are more likely to use services from a brand they know and trust.

In addition, Eleving collaborates with third parties - top local marketing agencies that are familiar with the current marketing situation in each local market. This allows

Eleving to deploy the most efficient marketing tools tailored to each specific geographic and customer segment.

2. Potential Customers

Eleving's potential customers are working class people receiving regular income but having limited savings. Typically, these are customers underserved by traditional banks due to the low loan amounts, inefficient underwriting process, complicated and inefficient loan application process, and long turnaround times for such loans.

Potential customers of Eleving's Vehicle Finance are people who prefer to drive used premium class vehicles instead of new or few years old economy class vehicles, since such vehicles perform better, depreciate less and have cheaper maintenance cost due to a well-developed spare parts aftermarket. For most customers a car is not a nice to have item, but rather a necessity needed to travel to their workplace or to earn income. Eleving also serves small and medium enterprises who need quick financial solutions to solve mobility issues in their businesses. The majority of Eleving's Vehicle Finance customers are males within an age range from 21 to 59.

Potential customers of Eleving's Consumer Finance are often trying to address urgent cash flow needs, mostly related with unexpected expenses as well as financing consumer electronics purchases. Eleving's Consumer Finance customers are equally divided between both sexes within an age range from 21 to 59.

All Eleving's customers value the convenience and the fast and easy process offered by Eleving.

3. Below the Line (BTL) Marketing Channels

a. Search Engine Marketing

Eleving utilizes Google, Yahoo, Bing, and other local specific search engine paid ads or organic search tactics in order to reach potential customers who are looking for financing products. It is important for Eleving to reach top positions within search results, while being effective and profitable.

A lot of effort is put in Search Engine Optimization (SEO) on each of the Group companies' websites. Eleving enhances organic search results by increasing the depth of information and interaction with its websites. As a result, content marketing has become an important part of the Group companies' marketing mix.

b. Social media marketing

Facebook, as one of the leading social networks in the world, holds a lot of information about its users which is monetized through selling ads on its social networks – Facebook and Instagram. Facebook ads are targeted to users based on their location, demographic, and profile information. Eleving uses Facebook ads to attract potential customers by showing them tailored offers. With Instagram ads Eleving drives awareness and increases its customer base through visuals. In recent years, given the increase of popularity, the Group is intensively utilizing TikTok as a content marketing channel in its markets.

To reach potential customers in Georgia, Moldova and Armenia, Eleving also uses social media networks that are popular and widely used in these countries – Telegram among others.

c. Display Ads

Eleving's potential customers can find information about financial solutions in different global and local online media sources, such as car portals, blogs and news websites. Eleving works with these global and local media channels to offer their visitors what they might be looking for, by strategically showing Eleving's image format messages (banner ads) to potential customers at the right place and the right time.

Eleving uses also Google Display Network and other display networks for all the stages of the sales funnel - prospecting, lead generating and converting. These networks provide a wide set of targeting options such as geography, interests and customer behavior. YouTube is a part of Google Display Network where Eleving places not only banner ads, but also video ads.

Along with display ads on different media, Eleving also uses Google Remarketing tools that help reconnecting with customers who have visited Eleving's website by showing relevant ads across their different devices.

d. E-Mail and SMS Marketing

To retain or upsell customers Eleving also uses e-mail and SMS marketing with segmented custom messages. This year Eleving plans to enhance e-mail and SMS marketing with automation features which will allow delivery of even more customized messages at the right time to the right users. By using automated communication workflows, Eleving has managed to significantly reduce manual labor resources as well as eliminate human errors. Automated workflows are being constantly optimized by executing A/B or multivariate testing. This way Eleving can identify what type of messages at what time and through which communication channels best reach its customers. Such tests give incremental improvement for conversion rate or cost optimization.

e. Affiliate Marketing

Instead of buying ad impressions or clicks, Eleving's affiliate partners and networks generate leads and online sales for its purposes. Affiliate publishers include a range of companies from financial comparison websites to content and e-mail marketing companies or individuals that create financial information and guidance with a link for customers to apply for related products. The affiliate/publisher gets rewarded on fixed commission models such as CPL (cost per lead) – website application and CPS (cost per sale) – issued loans. Affiliate marketing is one of the most accountable and essential digital marketing channels because publishers are responsible for driving traffic to their own assets using their own investments and digital marketing strategies. In this case, Eleving as a lender company must provide additional marketing awareness and educational support in above the line (ATL) and other digital channels such as social media, brand awareness etc., to make the affiliate program more successful.

As affiliates are investing resources to deliver traffic to Eleving, the commissions paid to them must be competitive as well as profitable for them so that the affiliates are motivated to continue to work as Eleving's affiliate partners and promote its financial services. Eleving has its own affiliate marketing engine that is a first-party platform allowing the retention of direct relations with the most valuable and competitive affiliate partners and saves the cost of an intermediary network. As a result, Eleving's affiliate program is more effective, builds strong long-term relationships and a good reputation for the affiliate program in general.

4. Above the Line (ATL) Marketing Channels

Eleving also conducts effective ATL advertising campaigns to increase awareness, drive trust, provide messages of reassurance, and simply to be right next to its customers. The media approach and investment varies by market and competitive set in that market.

Television and radio are among the channels where Eleving gets a good coverage of the target audience. In addition, different offline marketing channels are used, such as outdoor advertising (print and digital billboards, transit advertising on buses, taxis etc.), and print materials like booklets, flyers, and others.

As an additional layer for measuring marketing performance, Eleving conducts regular in-depth market research to measure brand awareness, understand customer needs, and evaluate whether marketing activities are addressing the key issues customers want to solve.

5. User Experience (UX)

Eleving constantly improves UX by updating design and texts of its online portals in order to increase visitor conversion rate and to streamline overall website usability, making it more convenient for a customer and which increases success of an eventual customer acquisition and reduced cost per sale. The ultimate goal is to have an automatically tailored experience for each customer which will ensure a smooth application process with the highest likelihood of conversion.

X. UNDERWRITING AND REVIEW

1. Overview of the Underwriting and Review Process

The underwriting process for the vehicle finance and the consumer finance loan issuance includes the following steps: (i) customer application for the financing product, (ii) customer registration and identification, (iii) risk assessment and scoring with respect to the customer and, for secured and premium vehicle loan products, the collateral, and (iv) agreement on and issuance of the financing product.

Eleving customers are private individuals and small and medium enterprises that apply for financing products online, in Eleving's branches or through its partners. Loan issuance is based on data driven underwriting and the key processes are automatized based on a scalable and efficient proprietary IT platform.

Eleving is proud of its internally developed programs for client scoring and automated vehicle valuation. The vehicle valuation tool has integrations with state transport authority databases, manufacturer records, stolen vehicles and accident databases as well as main online vehicle marketplaces to make a valuation based on all comparable screening criteria available in the market.

Country-focused client scoring tools take into account parameters from potential customers such as payment discipline (assessed on credit databases and internal and external blacklists), customer profile, income and liabilities, customer personality and, in case of the vehicle finance products, vehicle and seller information.

A customer's identity can be checked either online or at Eleving's or its partner's branches. Customers are identified either through physical identification and document check, through third parties – bank authentication and bank transfer from customer account – or, through electronic identification, where a customer is requested to log in to their existing online third party bank account and the third party bank provides customer identity information to Eleving which is then used in order to check against the registration information provided by a customer. Each vehicle is typically physically inspected by Eleving's customer service team or authorized partners before the loan issuance.

The underwriting process is mostly performed automatically using Eleving's proprietary IT systems.

Typically, with some country-specific exceptions, the review process of each application consists of the following steps:

1. Loan application processing and preliminary assessment
2. Risk evaluation and scoring
3. Vehicle inspection (in case of the vehicle finance products) and finalizing loan terms
4. Final loan approval and loan issuance

2. Loan Application Processing

In every country where Eleving operates, the underwriting process is automated to the greatest possible extent, using the integration with Microsoft Azure solution for automatic, self-learning model recalibration and implementation. The issuance policy in each country sets a detailed process overview including business "hard" rules (e.g. age limits, eligible customers, revenues, vehicles, indebtedness levels), fraud rules and scoring models for decision-making.

During a loan application process, the preliminary data in each application is cross-checked and supplemented. If needed, a customer is asked to provide further information, preliminary fraud and blacklists checks are performed and, in case of vehicle finance loans, vehicles are automatically valuated. During a loan application processing, the most important steps are the verification of a customer's eligibility for Eleving's financing, based on the information related to a customer's financial, economic and reputational information, applicable legislation and also based on the financing terms applied (advance payment, length, exposure, type of vehicle being financed). After such steps are successfully completed, a customer receives a preliminary offer.

3. Risk Evaluation and Scoring

During the risk assessment and scoring evaluation stages, credit history databases are checked, a customer's income information analyzed, a customer's indebtedness calculated and evaluated. Also, where necessary, additional information about the customer is collected and used in the scoring process, such as mobile wallet information, mobile account data, bank statements, personal information and other. The internally developed scoring tool, while taking into account parameters designed for each local market and being in compliance with local regulatory requirements, gives a clear score that enables an informed granting decision. With the increase of the loan portfolio, the scoring models are updated with newly available data and underwriting is designed to be fully adjustable without IT team's involvement. Inclusive credit scoring utilizes alternative data points, allowing the service to be provided to a broader customer base.

4. Vehicle Inspection (in case of the vehicle finance products)

With respect to the vehicle finance products, vehicles are typically physically checked by Eleving's customer service team or authorized partners before a decision on a loan application is taken. Final adjustments on a loan amount and other terms are made and documents to be signed are automatically generated.

5. Final Loan Approval and Loan Issuance

Eleving's loan agreements' terms are adapted to each jurisdiction's specific requirements in order to comply with local laws and regulatory guidance. Such adjustments may cover interest rates, handling fees, commission fees, penalty fees, personal information disclosure, customer withdrawal rights, loan amendments (early repayments, term changes, takeover) and other terms. The loan documentation is signed physically or with electronic authentication/digital signature depending on the country of operations and the loan product, i.e., for each jurisdiction Eleving uses the most efficient method that allows entering into a legally binding loan agreement.

The loan disbursement process depends on the product. For consumer finance and vehicle finance products, Eleving mainly uses bank transfers, which are usually performed automatically by way of batch payments. For the traditional vehicle finance products, after a customer has made a down-payment, Eleving makes a bank payment directly to the seller of the vehicle.

XI. PORTFOLIO MANAGEMENT

Customer Service

Eleving has developed a customer service division with more than 990 full-time specialized employees as at 30 June 2024.

Eleving has established a dedicated customer service organization in each market where it has operations. This allows the provision of customer-focused service in line with local specifics and market practice. To ensure consistent quality of customer service operations across the Group, group-wide customer service principles have been developed, which include (i) customer service and quality principles, (ii) best practices and requirements for managing customer service departments and (iii) internal procedures for each country operations to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the customer service organization is improved through regular benchmarking, experience sharing and targeted projects supervised by the Group's operations team to roll-out best practices across the Group.

Eleving's customer service is based on the following six core pillars to ensure convenience and high-quality customer experience:

- 1) *Single point of contact*: The customer service model works on a premise to never redirect a customer to other colleagues. This approach minimizes customer drop-off and maximizes conversion. Eleving's customer service employees are highly trained specialists who are able to serve the Group's customers without any hand-offs by leveraging Eleving's sophisticated IT platform and deep expertise in Eleving's products.
- 2) *Speed*: Critical success factor to Eleving's business is being able to provide a binding loan offer to a customer within a short period of time. Typically the application processing takes from two minutes to one day, depending on the specific country and application channel. Eleving closely monitors key performance indicators on its response times; the channels where speed is most critical (e.g. sales through partner network) are prioritized in order to reduce time-to-loan. Moreover, Eleving constantly seeks improvement and process automation by utilizing modern IT solutions and integrations with third party service providers, such as digital identification and credit information services.
- 3) *Strategic locations*: Eleving has established branches in strategic locations for its both lines of business. For its consumer loan business, a widespread branch network across areas with high population density is key to reaching and serving customers. For Eleving's vehicle loans business, a location next to the largest local car markets or near (within) car registries is preferred. Given that the process requires the visual inspection of a vehicle prior to a loan issuance, convenient locations greatly improve customer experience and convenience. Furthermore, Eleving's branch network offers high visibility to most important areas where used vehicle sales occur.
- 4) *Ease of access*: Eleving is accessible by phone, web, e-mail, chat, social networks, at its branches and its partner's branches. This setup gives Eleving's customers a wide range of convenient contact options and allows Eleving to drive customer conversion rates.
- 5) *Local Call Center*: Eleving has a dedicated and fully-staffed customer service center in each market where it operates. Various call center solutions, such as

robocalls, autodialers and queue management tools are used to optimize team capacity, maximize reach rates and customer service level. Elevation strives to answer most of the calls within 20 seconds, while remaining unanswered calls are saved and processed separately. To ensure efficient management of peak periods and high employee utilization, the branch employees of Elevation serve as virtual call center specialists when there are no customers to serve in person at the branch.

- 6) *Procedures*: Elevation has rolled-out detailed client service procedures in all of its markets. Procedures are tailored to local regulatory requirements and customer specifics. They are overlaid by the Group's customer service standards to ensure consistent service quality across all countries. A dedicated central operations team drives the consistency of customer service standards, serves as the source for best practices and works with local country management to continuously improve the effectiveness and efficiency of local customer service organizations.

Elevation motivates its employees through a tailored performance based motivation system. Elevation's customer service employees are rewarded based on sales performance, efficiency and quality. Elevation monitors key performance indicators at all levels of organization, and the performance is benchmarked against peers, other teams and other markets.

Elevation uses several brick and mortar channel partners for the loan issuance process, and cooperates with partners who, depending on the country of operations, may facilitate part of its customer identification and underwriting process. Internal processes of risk evaluation, vehicle assessment, fraud detection, scoring and loan approval are kept in all the markets where Elevation operates. Partners may be involved in the process of application and documentation submission, vehicle inspection and loan document signing. The typical partners for vehicle finance products are broker firms and used car dealers.

Debt Collection

Elevation has established an efficient and effective debt collection process in each country where it operates. Elevation has a dedicated team in each country and follows debt collection practices which are fully compliant with local regulations. Elevation's strategy is focused on maximizing the dialogue with customers. When Elevation assesses that a customer can repay its loan, it offers various options and tailors the offers to such customer. When Elevation assesses that the customer will not be able to continue a successful relationship, a quick and efficient repossession of the collateral and subsequent sale of it is strived for, while maintaining full transparency with the customer about the process. In case of unsecured loans, legal collection or debt sale processes are initiated.

The following table presents Eleving’s versatile, results-oriented debt collection process fueled by automation:

Overdue days	Vehicle Finance	Consumer Finance
Not Overdue	Pre-collection: Upcoming payment reminders: predictive dialer, automatic emails, SMS, robo caller	
1–30 days overdue	Soft collection: Predictive dialer, calls, automatic emails, SMS, robo caller, written letters	
31–60 days overdue	Mid/Hard collection: Predictive dialer, calls, automatic emails, SMS, robo caller, written letters, contract termination, in-person visits, skip tracing ➤ <i>Loan termination typically on day 60</i> ¹ Further actions: <ul style="list-style-type: none"> ▪ Loan renewal ▪ Restructuring ▪ Voluntary vehicle return ▪ Vehicle repossession ▪ Forward flow cession (debt sale) 	Mid/Hard collection: Predictive dialer, calls, automatic emails, SMS, robo caller, written letters, contract termination Further actions: <ul style="list-style-type: none"> ▪ Loan renewal ▪ Restructuring ▪ Loan termination
61–90 days overdue	Hard collection: Skip tracing, GPS analytics, home visits, repossession, police reporting Further actions: <ul style="list-style-type: none"> ▪ Settlement agreement (new repayment schedule) ▪ Vehicle sales ▪ Legal collection² 	Hard collection: Skip tracing, manual calls, notary writs
91+ days overdue	Legal collections ² , cession sales	

¹ Exact termination date differs across markets and is based on local regulations and client’s willingness to cooperate

² Third-party services

At Eleving, our primary objective is to negotiate mutually beneficial agreements with our clients, facilitating loan repayment solutions. In all the jurisdictions where it operates, Eleving adjusts its approach based on the stage of the overdue loan (Eleaving classifies a secured loan as non-performing if it is more than 35 days overdue (applies to non-mature countries) and more than 60 days overdue (applies to mature countries), and a consumer loan as non-performing if it is more than 90 days overdue. Each collection stage is shaped to achieve maximum efficiency, by using different tools and focus. Based on the number of delayed days, the internal debt collection process is initiated. Debt collection procedure determines communication rules with the borrowers, loan restructuring/amendment rules and conditions, collateral repossession, and realisation process.

Before the loan becomes overdue, Eleaving has an automated reminder process that ensures that the client is aware of upcoming payment and payment details.

As at the first day when the payment is overdue, it enters the early debt collection process, where Eleaving launches its automated reminder system (auto-calls, texts, e-

mails) informing the customer about the overdue amounts, further actions if payment will not be made and Eleving's contacts to discuss potential options. Eleving constantly monitors the effectiveness of the automated system. In addition, Eleving involves its in-house debt collection specialists that call all debtors from a certain day (as early as day 1 in some countries) with the aim to recover the delayed amount, identify reason for the delay and if necessary offer restructuring possibilities, where possible and economically viable. Prior to pursuing further debt collection activities, Eleving first aims to reach an agreement with a customer in order to find a solution for loan repayment. For vehicle finance loans, if the case is not resolved until day 30-60 (depending on the market and product), it is passed on to the next debt collection stage. For consumer finance loans debts are handled in-house up to 90 days past due date (DPD). If the customer is amenable to resolution, they are retained in-house. Otherwise, they are seamlessly transferred to field collection, external collections agencies, or litigation after the 30-day mark, ensuring efficient debt management processes.

During mid-collection stage Eleving uses multiple approaches: predictive dialer, debt collection calls, automatic emails, SMS reminders, robot callers, e-mail communication and in certain jurisdictions – in-person visits. In around 69% of the cases in the mid-collection stage the overdue loans are restructured or go back to the regular payment schedule. In certain situations no resolutions are available and the overdue loan is terminated. The exact moment of termination depends on the relevant country's legislation and payment discipline specifics. When the agreement is terminated, the debt specialists of Eleving offer the customer the option to renew the agreement, repay the loan or voluntarily return the vehicle, where applicable. In most cases, vehicle loan agreements are terminated when they are 60-90 days overdue in order to physically repossess a vehicle and preserve its value.

In the final debt collection stage, Eleving's in-house vehicle repossession experts work with customers to recover the collateral. More than 80% of the vehicles, which are set for repossession are successfully repossessed at this stage of the debt collection. This stage does not apply to products without collateral (vehicle). In case of consumer financing, the loan is terminated and passed on to litigation / cessation processes.

After vehicle repossession, the vehicle is put up for sale in Eleving's car lot. Sale of a repossessed vehicle takes 44 days on average from the moment such vehicle is repossessed²⁵. For the repossessed vehicles (in countries with fully secured products) the post-termination recovery rate stands at approximately 84%, which is a ratio of recovered principal and interest payments (including legal fees collected and other related fees) against outstanding principal. Outstanding debt (if any) is then recovered through an unsecured recovery process of Eleving, which includes amicable settlements, court execution process and / or debt portfolio sale (depending on the country).

To ensure consistent quality of debt collection operations, Eleving has developed Group-wide debt collection service standards that include (i) debt collection principles, (ii) best practices and requirements for the debt collection department and (iii) internal procedures for each country in order to ensure effective knowledge sharing and continuous improvement of operations. On a daily basis, the debt collection management is improved through regular benchmarking, experience sharing, and targeted projects supervised by the Group's operations team to develop best practices across the Group.

²⁵ Measured as average days between vehicle repossession date in 2023 and vehicle sales date.

XII. INFORMATION TECHNOLOGY

Eleving's IT department supports the full lifecycle of product development and optimization. Eleving embraces effective design principles and applies value driven prioritization principles to maximize return on the time invested by the IT department. This approach aims at building solutions based on validated business needs, with a focus on running secure and stable systems minimizing maintenance costs but maximizing customer conversion rates and streamlining portfolio administration.

Credit Management Systems

Eleving has three regional systems for processing credit applications and managing the credit lifecycle. Each system is tailored to support the best business processes in the particular region where it is deployed. Eleving relies on technology diversity and benefits from having two three systems available to run business independently without building redundant cross dependencies. In each country where it operates Eleving deploys one of its three systems and aligns the IT processes to obtain business process similarities across countries of operation. This approach ensures that Eleving's business processes are unified where possible across all system installations (countries) – this significantly simplifies user support, system maintenance and updates provided by IT departments. Furthermore, Eleving ensures a unified business control function and that the key performance indicators (KPI), such as conversion rate, delay rates, SLA etc., are gathered in a qualitative and comparable way. All the factors outlined above have historically allowed Eleving to launch business operations in a new country in a few months' time, and to launch businesses in several countries in parallel.

IT Practices

Eleving has to retain a certain degree of flexibility in order to secure leading market positions in the countries where it operates. Eleving's IT systems are easy customizable without breaking business processes. Eleving does not distribute business processes across multiple systems and platforms but rather focuses on building systems relying on loosely coupled processing modules. Similarly, Eleving avoids expensive batch processing where possible, instead it makes calculations just in time and splits work into smaller parcels.

The IT engineering team of Eleving is a mix of product owners, system analysts, experienced developers and testing engineers, all focused on delivering stable solutions. Eleving has embedded proven test practices in the area of test automation. Comprehensive regression test suites are fully automated and are continuously extended and maintained by the IT engineering team.

IT Infrastructure

Eleving's core IT infrastructure is centrally managed by the Group's IT team, which is responsible for all network, server, service and mission critical production system operations and business application support.

Local IT support is provided by local IT teams or outsourced to local IT support service providers to ensure fast service deliveries and communication in local languages that is convenient for the end users.

Eleving has concluded the transition to cloud computing service providers and all mission critical production systems utilize the advantages of high availability, fast scalability and business continuity offered by the leading service providers - Microsoft Azure or AWS.

Eleving is at the forefront of technology, utilizing Azure Machine Learning platform to harness the power of automated decision-making, ensuring smarter, faster, and more accurate business solutions in an ever-evolving digital era.

Data Backup Strategy

Eleving relies on the high availability of Microsoft Azure and AWS platforms and the available backup services. Eleving works on automation of the infrastructure in order to support business continuity, implementing principles of “Infrastructure as Code” - allowing to deploy new instances of systems in very short timeframe in alternative locations if/when this would be required.

Monitoring

There are comprehensive monitoring systems implemented and running 24/7, continuously inspecting system performance, harvesting statistics and analyzing system/user activities. Data is aggregated to ensure a 3-layer monitoring: IT Infrastructure Monitoring, System Health Check and Business Process Monitoring. Should any warning or fault be detected, an alert is raised automatically.

Reporting Platform

Data warehouse (DWH) solution, together with the reporting platform, gather data from all databases into one unified source, providing a comprehensive set of dashboards and reports for decision making and business steering in an effective way.

Microsoft Power BI (the leading BI tool according to Gartner Magic Quadrant for Analytics and Business Intelligence Platforms in 2021) is selected as the reporting platform for management and KPI operations reports on all levels (country, region, group). Pre-processed data is available for immediate analysis and is used for various purposes, including customer scoring algorithm adjustments and target customer segmentation for new marketing campaigns.

IT Cost Control

Eleving keeps a low-cost base by utilizing cloud computing services that can be scaled up rapidly as needed without major investments. IT running costs and investments are monitored continuously and revised regularly, with a focus on reassessing costs, revising investments and identifying opportunities for further optimization.

IT Security

Eleving employs a multi-layered security strategy. IT security management program utilizes risk-based architecture for consistent IT security practice. Eleving deploys and maintains a stack of security infrastructure technologies. Security testing, threat modeling and risk assessment processes are implemented. The information security team continuously mitigates and monitors vulnerabilities and threats. In face of new and changing threats Eleving adapts its defenses accordingly.

XIII. SIGNIFICANT RISK MANAGEMENT

1. Risk Management

Risk management at Elevation is defined as a process of identifying, monitoring and managing potential risks in order to minimize the negative impact they may have on the organization. Elevation applies Enterprise risk management (ERM) approach for organizing and coordinating an integrated risk management framework for the Group. To ensure efficient process of significant risk management across all business units and stages, Elevation describes the general framework and duties in internal policies and guidelines.

Internal policies and guidelines pursue the following objectives, for each operational company of the Group:

- to establish the framework required for the identification of significant risks;
- to assess the exposure to significant risks;
- to establish the techniques and indicators to be used for the management of significant risks, including with reference to the adequacy of the limits system;
- to allocate the risk management duties within the entity;
- to establish the framework required for risk reporting (reporting typology– indicators, content; frequency, users);
- to establish the entity’s risk profile in line with the entity’s business strategy; and
- to establish the measures required for addressing the conflicts of interests at the level of the risk management function and the conditions required for the independent exercise of the risk management function.

2. Risk Management Process

The Risk Management process consists of 4 main parts:

- Risk identification
- Risk analysis
- Risk quantification
- Risk management

Elevation has defined the following significant risks: (i) financial risk, (ii) legal risk, (iii) operational risk and (iv) reputational risk.

a. Financial Risk

The Group’s activities are exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management focuses on financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments to hedge certain risk exposures which are carried out by the central treasury department (the Group’s treasury).

Liquidity Risk

The Group controls its liquidity by managing the amount of funding (i) it attracts through peer-to-peer platforms, which provides the management greater flexibility to manage

the level of borrowings and available cash balances, and (ii) it obtains from local banks and independent funds. Also, the Group manages its longer-term liquidity needs by obtaining funding from international capital markets, in particular by issuing the Elevation Group Bonds 2023/2028, the Elevation Group Bonds 2021/2026.

Credit Risk

The Group is exposed to credit risk through its finance lease receivables, loans, and advances, as well as cash and cash equivalents. The key areas of credit risk policy cover lease and loan granting process (including solvency check of the lessee or the borrower), monitoring methods, as well as decision making principles. The Group uses financed vehicles as collateral to significantly reduce the credit risk. The Group operates by applying a clear set of finance lease and loan granting criteria. These criteria include assessing the credit history of the customer, means of lease and loan repayment and understanding the lease object. The Group takes into consideration both quantitative and qualitative factors when assessing the creditworthiness of the customer. Based on this analysis, the Group sets the credit limit for each and every customer. When the lease agreement has been signed, the Group monitors the lease object and the customer's solvency. The Group has developed a lease monitoring process that helps quickly spot any possible non-compliance with the provisions of the agreement. The receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is minimized, and, where appropriate, sufficient provisions are being made. The Group does not have a significant credit risk exposure to any single counterparty but is exposed to risks of a group of counterparties having similar characteristics.

Market Risk

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

Currency Risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The most significant foreign currency exposure comes from Georgia, Armenia, Uzbekistan, Kenya, Ukraine and Moldova, where the Group has evaluated potential hedging options, but due to the costs associated with it, has decided not to pursue hedging strategy for now and assume potential short to mid-term currency fluctuations with retaining potential upside from strengthening of the mentioned currencies. Nevertheless, the Group has a practice of pricing in the currency risk within the cost of its products in the most volatile markets from a foreign currency perspective.

In addition, the Group is making substantial progress in issuing as many loans as possible in EUR and USD currencies. Having now a significant portfolio of USD loans and leases, mainly linked to Kenya and Uganda, the Group has started to proactively manage the foreign currency exposure risk towards USD. The proactive management of USD exposure can be observed by forward contract purchases that have started already in 2020 and will continue in 2024 and onwards.

Over the last years, Elevation Group has substantially reduced exposure to its foreign currency risk by decreasing its open FX position across the Group. As at 30 June 2024 adjusted FX position stands at EUR 38.6 million and adjusted open FX position ratio

of 0.6x – showing significant improvement compared to previous periods. The Group continues its strong dedication towards proactively mitigating foreign currency risk in its portfolio. In addition to the measures outlined above, this has been achieved by successful divestments from markets that previously operated in a volatile foreign exchange environment.

Interest Rate Risk

Cash flow interest rate risk means the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates, in particular that the Group's income or the value of its portfolios of financial assets might be affected as a result. The management of Eleving believes that for the Group, interest rate risk is not material since all loans are issued and received at fixed rates and most of the borrowings as well as loans issued to customers are long term.

b. Legal Risk

Legal risks are mainly derived from regulatory changes which the Group successfully manages with the help of in-house legal department and external legal advisors that closely follow latest developments and the legal environment. While the majority of the Group's operating entities are financial institutions, the Group is not regulated as a bank, payment institution or e-money institution in any of its operating jurisdictions. The regulatory framework applicable to the Group's operating entities varies depending on the jurisdiction in which the Group is operating. The relevant regulations relate to, *inter alia*, lending and leasing activities, consumer rights protection, the processing of personal data, debt collection and the prevention of money laundering and financing of terrorism.

c. Operational Risk

The Group's operational risks are associated with organizational operations and could affect an organization's ability to meet its goals and objectives. The Issuer manages its operational risk by defining and implementing clear processes, policies, and procedures for identifying potential operational risks, assessing their severity, and developing strategies for reducing or eliminating them. The Issuer focuses on establishing clear roles and responsibilities, internal control mechanisms, developing modern FinTech solutions and data security. The Issuer established an Economical Security Department (ESD) to manage internal and external fraud risk. In terms of operational risk management, the Issuer pays special attention to operational resilience enabling business to proactively prepare for, respond to, and effectively manage disruptions.

d. Reputational Risk

Reputational risk is concerned with the exposure of the Issuer to events that could adversely affect customers' trust in its products, could decrease its customer portfolio or could lead to: (i) an increased difficulty in attracting new customers; (ii) difficulty in raising financing sources; (iii) difficulty in retaining the employees; (iv) non-compliance with the requirements set forth by local authorities. The Issuer's reputational risk monitoring is performed e.g. by monitoring of the local and central media, monitoring the Issuer's activity with focus on the events that could expose the company to a reputational risk (specifically those related to customer relations and to the relationships with the supervisory authority) and monitoring the amount of complaints received from customers.

XIV. COMPETITION

Eleving’s vehicle finance business line has very limited competition in the markets where it operates due to the lack of companies specializing in purely pre-owned motor-vehicle lending. Furthermore, used pre-owned vehicle lending is not the immediate market segment which a typical unsecured lending company would target, mainly due to the essential physical presence (branch network) which requires capital expenditure in infrastructure and due to the necessity of establishing close relationships with pre-owned motor-vehicle dealers.

In certain markets, Eleving also competes with financial institutions, such as banks, credit unions and other consumer lenders offering unsecured loans that can be used for motor-vehicle purchase.

Eleving’s consumer finance business line competes with non-bank lenders which usually have only online operations. Eleving has a unique mix of a vast network of physical branches and a well-established online lending platform. This way Eleving addresses a wider population of potential customers and is able to offer fast loan issuance process both online and offline.

The table below describes Eleving’s key competitors, apart from commercial banks, in the countries of operation and a brief overview of the relevant market.

Country	Main Competitors	Description of the Market
Latvia		
(vehicle finance)	BigBank AS Aizdevums.lv (Marginalen AB) Inbank TF Bank Ferratum Incredit Group	Customer mobility is enhanced by offering used cars through 2 main product types: leasing and car loan. Eleving is one of the leading companies in car financing and used-car leasing. Eleving has a historical presence in used car long-term rent but since 2024 Eleving is putting more emphasis on financing, rather than renting products. Commercial banks have the biggest share of the unsecured-installment loan market.
(car rent)	Current Watu Auto	AS Renti was the first company in 2018 to introduce used car long-term rent in the Latvian market with the possibility for customers to select a car on their own (as opposed to choosing a car offered by a car rental company) from any registered car dealers in Latvia. The change of Eleving focus in 2024 from renting to financing has led to the reduction of the used car rent business and its portfolio.

Estonia

Country	Main Competitors	Description of the Market
(vehicle finance)	InBank Holm Bank AS TF Bank	Eleving has a significant market presence in Estonia. In 2023 there were 39 creditors not associated with banks, 10 creditors associated with banks, 10 licensed credit intermediaries, 5 cross-border credit intermediaries and 6 agencies of licensed credit intermediaries. Creditors not associated with banks, which mainly provide instant loans, differ from creditors associated with banks in the structure of the loan portfolio and in their lending conditions. Their loans are on average much more expensive than those from creditors associated with banks. According to recent market research conducted by KOG Institutas, the recognition of the Mogo brand is around 8%, which is better than that of its biggest competitors.
Lithuania		
(vehicle finance)	Inbank SB Leasing TF Bank	The used vehicle financing market in Lithuania is gradually growing, offering car leasing and car loans as primary financing instruments, followed by long-term rent as an alternative. The market is highly regulated by local authorities, protecting consumer rights in both used car leasing and other financing areas. Among major market players, Eleving stands out for its product offering and operational flexibility and is considered as one of the leaders in used car market segment. As at now, Eleving offers a full range of financial and non-financial solutions to customers who are looking to obtain a vehicle.
(car rent)	Go4Rent (SME Finance group) Current	In 2017, Eleving expanded its market base introducing long-term rent for used vehicles. Operating under Renti brand, company offers used car long-term rent with the possibility for customers to select a car on their own from any registered car dealers in Lithuania or to choose the one from company fleet.

Georgia

Country	Main Competitors	Description of the Market
(vehicle finance)	<p>Eurocredit</p> <p>Swiss capital</p> <p>Dizi leasing</p> <p>Liberty Bank</p>	<p>Eleving has been operating in the Georgian market for 10 years, developing into one of the market leaders in used vehicle financing, having more than 250,000 unique customers. Eleving has financed purchase/rental of more than 70,000 vehicles in Georgia, which is roughly 4.5% of the total number of vehicles (except for minibuses and buses) in the country in 2023, according to National Statistics Office of Georgia. With further market expansion, this share is expected to grow.</p>
Romania		
(vehicle finance)	<p>TBI Bank</p> <p>Happy Credit</p> <p>ImoCredit</p> <p>MobiFinance</p>	<p>Eleving has operated in the Romanian market for 8 years under the brand Mogo. Eleving's competitors offer both secured and unsecured lending products, which are similar to Eleving's products. Nevertheless, Eleving's products are specially designed to serve the individual needs of retail consumers. While other financial institutions offer similar services, like credit lines secured by cars or leaseback assimilated loans or other car acquisition products, their services are targeted to a different segment of the consumer market. Since 2021 Mogo switched to online lending which offers a competitive advantage from time-to-loan perspective.</p>
Armenia		
(vehicle finance)	<p>Global Credit</p> <p>Mikro Kapital</p>	<p>Eleving has been operating in Armenia for 7 years and established itself as one of the market leaders for used vehicle financing. To date, Eleving has financed the purchase of more than 22,400 vehicles. Eleving's advantage over competitors is quick decision-making process compared to Eleving's main competitor in Armenia.</p> <p>Armenian banks mostly provide car loans to customers with a low-risk threshold, which enables Eleving to attract customers which banks do not finance. Loans are also issued via the partner network. This source is not used</p>

Country	Main Competitors	Description of the Market
		by competitors and this serves as an advantage over competitors.
Uzbekistan		
(vehicle finance)	Fortuna Biznes Mikro Leasing PulMan	Eleving has a competitive edge in terms of offering longer-term loans (up to 5 years vs. 3 years, which is typical among competitors) as well as being more flexible in regards to a car's age and initial down-payment. In addition, Eleving's competitive advantage in the market is the provision of fast and convenient services due to the Group's own car stock at competitive prices.
Uganda		
(vehicle finance)	WATU Tugende	Since the beginning of 2021, Eleving shifted its focus to financing primarily motorcycles (boda-boda) in Uganda due to greater than expected profitability associated with this segment. The majority of vehicles in this part of the market are income-generating assets used as taxis. Eleving is the leading boda-boda financing company in Uganda (36,000+ active clients) with a limited international and local competition. Banks generally shy away from financing motorcycles, given that the customers are not salaried employees.
		In the vehicle financing sector Eleving is focusing mainly on traditional vehicle finance loans (logbook loans) restarting full-scale operations in Q2 2024 as part of the growth strategy. Eleving's competitors offer logbook loan products related to used cars. They are mainly local companies without strong financial support and most of them have small-scale operations, with only a small portion of them having large-scale operations. Banking institutions target only customers with very low risk profile and thus they do not seek to participate

Country	Main Competitors	Description of the Market
Kenya	(vehicle finance) WATU NGAO Credit Platinum Credit Momentum Credit Mwananchi Credit	<p data-bbox="842 241 1370 309">in the market segment in which Eleving is primarily active.</p> <p data-bbox="842 416 1370 1536">According to Eleving’s internal market research, Eleving is a strong runner-up to Watu Credit in the motorcycle financing market based on financing volumes and asset base (around 40% of the total market in 2024). The majority of vehicles in this segment are income-generating assets used as taxis. Banks generally shy away from financing motorcycles, given that customers are not salaried employees. The car financing industry in Kenya is quite competitive and it seems that the competition will keep increasing. Eleving’s competitors are local companies without strong financial support and most of them have small-scale operations, with only a small portion of them having large-scale operations. According to internal market research, currently Eleving Group is one of the top 3 players in Kenya in non-banking car financing industry. Banking institutions target customers with very low risk profile and thus they do not seek to participate in the market segment in which Eleving is primarily active. Used cars are also financed by dealers, but they are not competitive since they provide quite expensive and short-term services.</p>
Moldova	(vehicle finance) Microinvest BT Leasing MDCredit Rapid îCS Express Leasing & Microcredit Easy Credit	<p data-bbox="842 1626 1370 2022">The non-bank credit sector has a small share in the country's economy, compared to the banking sector, but its scope is wide, offering credit services for small businesses, consumer loans and personal needs of natural persons throughout the country. The market of non-banking credit organizations remains extremely competitive. In 2023, 117 companies serving almost 371 000 customers were active. With new legislative developments and</p>

Country	Main Competitors	Description of the Market
(consumer finance)	Microinvest Easy Credit lute Credit Aventus Finance (Credit 7 & Credit 365) Ecofinance Technologies SRL (Credit Prime)	campaigns aiming to educate the consumers, the quality of financial services has improved and remains profitable. Eleving's main competitors provide financing options of up to 100,000 MDL or up to 400 000 MDL in case of Microinvest, featuring attractive offers on refinancing products. They specialize in consumer and small business loans lasting up to 60 months. Additionally, these competitors offer secured loans for car and agricultural financing.
North Macedonia		
(consumer finance)	lute Macedonia FlexCredit Credissimo M-cash SN Finansii	Main competitors who offer similar products and have a comparable business model are lute Macedonia, FlexCredit, Credissimo, M-cash and SN Finansii. There are more than 20 other, relatively smaller companies providing non-banking services in the market who directly compete with Eleving.
Albania		
(consumer finance)	luteCredit Mia Finance NOA Fondi Besa	The main competitor who offers similar products and have a comparable business model is lute Credit. Of all other competitors, the second strongest is NOA who has during 2023 put an extra effort to enter into the small consumer loans. Other competitors are Fondi Besa, Mia Finance and financial banking institutions who are targeting the consumer loan and credit card segment.
Botswana		
(consumer finance)	Letshego Bayport	The marker is dominated by the 6 Systemically Important Entities (SIE) who make up over 90% of the asset base. The market is regulated by the non-bank financial regulatory authority (NBFIRA) with the SIE being subject to prudential reporting requirements. The market is dominated by the government

Country	Main Competitors	Description of the Market
Namibia	Letshego Entrepo Focus Finance Janeel Finance	<p>deduction at source product where the deduction codes are owned by unions. The MFIs work with the different unions to provide loans to their members where the deduction is made directly from source. The maximum loan amount for DAS are up to BWP 1 million (EUR 70,000) and a maximum loan tenor of 10 years.</p> <p>The financial sector in Namibia is characterized by a) low financial intermediation (with limited access to financial services to the rural population and low to medium income groups), and b) relatively undeveloped money and capital markets.</p> <p>The financial services sector in Namibia is comprised of banks and microfinance institutions (MFIs) and insurance companies which are regulated and supervised by the Namfisa and BON (Bank of Namibia).</p> <p>According to Namfisa, there are 426 registered MFIs currently operating in Namibia, of which 99% are payday lenders and approximately 10 are term-lenders.</p>
Zambia	IZWE Loans (Zambia) Bayport LOLC Finance Zambia Tottengram Fin Serv Xtenda Finance Limited Micro Finance Zambia Limited BIU Capital Limited	<p>The list contains the top 7 competitors offering Government loans. All, except Bayport and LOLC Finance Zambia, are non-deposit taking Microfinance companies. Micro finance Zambia Limited and Tottengram Fin Serv offer similar products to Eleving.</p> <p>Two mobile Network operators (MTN and Airtel) are providing the largest small loans through their mobile wallet platforms. Two account for close to 60% of small loans averaging K3000 (EUR 100) and up to K10,000 (EUR 333). These companies perform the activity in partnerships with banks and other lenders.</p>
Lesotho		

Country	Main Competitors	Description of the Market
(consumer finance)	Letshego Financial Services Lesana Financial Services Thusong Financial Services	<p>Primary competitors who offer similar products and have a comparable business model are Letshego, Lesana and Thusong. Amongst these 3 main competitors, Letshego financial services is leading the pack. Main competitors are also providing loans to the private companies and funeral services loans. There are also many relatively small companies that provide non-banking services in the market who directly compete with Eleving.</p>

XV.INTELLECTUAL PROPERTY

Eleving's principal operating activity is providing vehicle finance and consumer finance loans, predominantly via Group's internet platforms, phone, branches and broker/dealer network. The table below sets forth the websites currently used by the Group to provide its services through the internet platform. The content of these websites is not part of this Prospectus.

Country	Website
Global	www.eleving.com
Latvia	www.mogo.lv www.renti.lv www.autotev.lv www.primero.lv
Estonia	www.mogo.ee www.easycar.ee www.primero.ee
Lithuania	www.mogo.lt www.renti.lt www.toplizingas.lt www.autosprendimai.lt
Georgia	www.mogo.ge www.autosale.ge
Romania	www.mogo.ro www.auto.mogo.ro
Moldova	www.mogo.md www.auto.mogo.md www.sebo.md
Albania	www.kredo.al
Armenia	www.mogo.am www.avto1.am
Uzbekistan	www.mogo.uz www.auto.mogo.uz
Uganda	www.mogo.co.ug

	www.cars.mogo.co.ug
Kenya	www.mogo.co.ke
	www.cars.mogo.co.ke
North Macedonia	www.tigo.mk
	www.bongo.mk
Botswana	www.expresscredit.co.bw
Zambia	www.expresscredit.co.zm
Namibia	www.expresscredit.com.na
Lesotho	www.expresscredit.co.ls

Besides the websites listed above, we own other domains that we plan to use for business footprint expansion to other countries, launching new products and implementing other business ideas.

To further facilitate the connection between its customers and car dealers, Eleving Vehicle Finance has also developed proprietary car sales portals in various regions. The Group has currently 10 proprietary car sales portals, with more than 7,500 cars listed on across 10 markets in Europe, Central Asia and Africa. The online platform serves as the main channel through which Eleving sells repossessed vehicles.

Registered Trademarks

The Group company AS "mogo" (Latvia) has figurative and word trademarks "Mogo Finance" and "mogo" registered in the European Union in respect of financial services under Class 36 of the Nice Classification. Based on the registration of figurative trademark 'Mogo Finance' in the European Union, AS "mogo" (Latvia) has registered international trademark via WIPO in respect of, Armenia, , Kenya, Moldova, North Macedonia, and Uzbekistan. In part of above-mentioned and in other countries (in Georgia, Lithuania, Latvia, Estonia, and Moldova), trademarks containing verbal element 'mogo' has been registered by Group companies as well.

The Issuer has a figurative trademark "Eleving" registered in the European Union in respect of services under Classes 35, 36 and 39 of the Nice Classification. In addition, the Issuer has filed for registration of a word trademark "Eleving" in the European Union in respect of services under Classes 35, 36 and 39 of the Nice Classification. The opposition period ended on 8 September 2021, and due to an opposition of the application, the registration process is still ongoing as at the date of this Prospectus.

XVI. REGULATORY ENVIRONMENT

While the majority of the Issuer's operating entities are financial institutions, we are not regulated as a bank, payment institution or e-money institution in any of the Issuer's operating jurisdictions. The regulatory framework applicable to the Issuer's operating entities varies depending on the jurisdiction in which we are operating. The relevant regulations relate to, *inter alia*, lending and leasing activities, consumer rights protection, the processing of personal data, debt collection and the prevention of money laundering and financing of terrorism.

The table below sets forth the relevant local regulator in the countries in which Elevation operates.

Country	Regulator
Latvia	Consumer Rights Protection Centre
Estonia	Estonian Financial Supervision and Resolution Authority
Lithuania	Central Bank of Lithuania
Georgia	Not applicable
Romania	National Bank of Romania
Armenia	Central Bank of the Republic of Armenia
Uzbekistan	Not applicable
Uganda	Uganda Microfinance Regulatory Authority
Kenya Moldova (both lines of business have the same regulator)	Central Bank of Kenya National Bank of Moldova
North Macedonia (consumer finance)	Ministry of Finance
Albania (consumer finance)	Bank of Albania
Botswana (consumer finance)	Non-Bank Financial Institutions Regulatory Authority
Namibia (consumer finance)	Namibia Financial Institutions Supervisory Authority
Zambia (consumer finance)	Bank of Zambia
Lesotho (consumer finance)	Central Bank of Lesotho

Below, we give an overview of the most relevant major regulations with which each relevant entity complies in the jurisdictions of the principal operating entities of the Group as at the date of this Prospectus:

Latvia

AS “mogo” (Latvia) is a licensed leasing (consumer lending) non-banking company and is required to comply with rules on consumer lending and consumer rights protection, prohibition against unfair commercial practices, personal data processing requirements, debt collection legislation, money laundering and terrorism financing prevention requirements and civil law.

A license is required for consumer lending in Latvia. Except for the credit institutions and other companies that fall under the exceptions provided under the Consumer Rights Protection Law of the Republic of Latvia, only companies having received a special license may provide credit services to consumers in Latvia. All activities regarding consumers and licenses, including compliance with anti-money laundering provisions, are supervised by the Consumer Rights Protection Centre of Latvia.

Legislation sets forth requirements in respect of the relationship between lending companies and their customers as they relate to marketing and remote selling of leases, consumer loans, the terms of consumer loan agreements and information that must be disclosed to prospective customers prior to entering into a lease or loan agreement, calculation of annual interest rates and limitations of penalties and interest, assessment of consumer solvency, right of withdrawal, as well as personal data processing, client identification and due diligence under anti-money laundering procedures and debt collection.

The Consumer Rights Protection Law sets forth Latvia’s general rules on consumer credit. On the basis of the Consumer Rights Protection Law, numerous important regulations of the Cabinet of Ministers of Republic of Latvia have been adopted, including: Regulations Regarding Consumer Credit and Regulations Regarding Distance Contracts for the Provision of Financial Services. In addition, based on the applicable laws and regulations the Consumer Rights Protection Centre of Latvia has adopted several binding guidelines for the provision on consumer lending services containing recommendations of the Consumer Rights Protection Center to the consumer crediting service providers.

According to the latest version of Law on Consumer Rights Protection, the total cost of a consumer’s credit cannot exceed 0.07% per day. This law also prohibits the promotion of lending services, except at the premises of the lender or its intermediary, or on their website or mobile application, as well as personally addressing potential clients on-site or by telephone if the consumer has agreed, and except for the trademark advertising.

The Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing of the Republic of Latvia sets forth Latvia’s general rules on prevention of money laundering and terrorism financing, including identification and due diligence of the customers. On the basis of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, important regulations of the Cabinet of Ministers of Republic of Latvia have been adopted, including: procedures for remote identification and requirements for the Prevention of the Money Laundering and Terrorism and Proliferation Financing direct for the providers of the consumer crediting services.

The enforcement of the claims arising from consumer-credit contracts are to a great extent set forth in or affected by other legal acts, most importantly in the Law on Extrajudicial Recovery of Debt of the Republic of Latvia and the Civil Procedure Law of the Republic of Latvia.

Estonia

Primero Finance OÜ (Estonia) is a licensed lending (consumer lending) non-banking company in Estonia regulated and supervised by the Estonian Financial Supervision Authority. Starting from 2016, all consumer credit providers and intermediaries must be licensed by the Estonian Financial Supervision Authority. The main laws and guidelines that regulate the activities of Primero Finance OÜ are as follows: The Creditors and Intermediaries Act, which applies to creditors and intermediaries established and operating in Estonia, and which sets the relation to capital requirements, internal procedures (inter alia, provision of information, assessment of the creditworthiness) and requirements for providing services; the Consumer Protection Act in relation to general consumer protection obligations; the Law of Obligations Act in relation to contractual aspects of credit transactions, including consumer credit specific requirements (*inter alia* limitations of the terms and conditions of the credit agreements), the Money Laundering and Terrorist Financing Prevention Act and the Advertising Act prescribing restrictions on advertising. In addition, the company must comply with the guidelines on the Estonian Financial Supervision Authority in respect to, *inter alia*, responsible lending guidelines, outsourcing and IT-systems.

Lithuania

UAB “mogo LT” (Lithuania) is a leasing (consumer lending) non-banking company, approved and included in a Public List of Consumer Credit Providers handled by the Bank of Lithuania. Companies are able to provide consumer credit services in Lithuania only after inclusion in the Public list.

The company must comply with rules on consumer lending and consumer rights protection, stated in a consumer credit law and in the Central Bank guidelines on consumer lending, such as limitations on debt-to-income rate, average income amount, penalties and percentage, obtaining client data from specific registers, and criteria for termination of consumer agreements. Anti-money laundering legal norms require all new clients to be identified physically or through approved technological solutions.

The main laws and regulations concerning the business of Mogo are: Law on Consumer Credit; Anti-Money Laundering law; Personal data protection law; Regulations on the Assessment of the Creditworthiness of Consumer Credit Borrowers and Responsible Lending; Regulations on the Assessment of the Solvency of Consumer Credit Borrowers; Consumer Credit Provision Guidelines.

Georgia

Mogo LLC (Georgia) is a leasing company in Georgia, not requiring any license for leasing operations. According to the Georgian National bank, leasing companies are not defined as financial institutions and hence not regulated by the NBG (National bank of Georgia). So, there is no specific regulatory and/or supervising body for leasing companies in Georgia. Leasing companies, which issue a lease in the amount of 30,000 GEL or more are required to submit regular reporting to Financial Monitoring Service, an independent governmental agency in charge of anti-money laundering compliance by relevant monitoring entities. Leasing companies, which issue a lease in the amount of less than 30,000 GEL are required to adopt AML internal procedures and have a responsible person, who oversees compliance.

The existing legislative framework in the field of leasing is lessor friendly. Since February 2019 the Georgian law sets a maximum annual percentage rate (APR) of 50%. Penalties and any type of a financial sanctions provided for/imposed on a client under the lease contract for violation of any provision of the contract shall not exceed the annual 0.27% of the remaining principal amount of the loan for each day. The amount of a penalty and any type of financial sanction provided for/imposed on a client under the contract for violation of any provision of the lease contract at each exceeding of the lease period shall not exceed in total the 1.5-time amount of the currently remaining principal amount of the debt. Also, the law does not impose any mandatory requirements for co-financing of the leased property by the lessee or lessor. The main law for leasing and recovery of debts is the Civil Code of Georgia (Chapter Four and Article 625) which is mainly used in relation to consumers. Georgian Consumer protection law regulates the consumer lending, but leasing is excluded from its scope.

In terms of consumer right's protection, Georgia has implemented a law which is fully constructed and based on the EU Directive 98/6/EC on consumer protection in the indication of prices of products offered to consumers, the EU Directive 93/13/EEC on unfair terms in consumer contracts, the EU Directive 2006/114/EC concerning misleading and comparative advertising, as well as the EU directive on unfair commercial practices. The implementation of the EU Directive 2023/2673 on the protection of consumers with regards to distance contracts is also expected.

Romania

Mogo IFN SA (Romania) is a consumer lending non-banking company, with strict supervision from the National Bank of Romania. Mogo IFN SA is registered in the "Special Registry" and has to comply with some conditions similar to the ones applicable to banks (e.g., Mogo IFN SA needs to have an audit committee and a risk committee, and it needs to submit financial statements audited by top-tier auditors or at least by auditors acceptable to the National Bank of Romania). Mogo IFN SA is required to have (at least) 2 directors (general and deputy) which are approved by the National Bank in terms of having relevant experience and a good reputation.

The company must comply with the rules on consumer lending and consumer rights protection stated in the consumer credit law and the guidelines of National Bank of Romania on consumer lending. Among the limitations: debt-to-income ratio has to be reasonable; Mogo IFN SA may not grant credit without client proven fiscal income, and fees and penalties are strongly regulated. The activities of the company are being monitored by ONPCSB (Anti money laundering office) to which the company has to report any suspicious cases, if they arise.

Furthermore, the consumer lending non-banking company license require to ensure the level of equity is not less than company's finance receivables portfolio divided 15 times.

Armenia

Mogo Universal Credit Organization LLC (Armenia) is a licensed non-banking credit institution. The license allows Mogo Universal Credit Organization LLC to issue any type of loans. The financial sector of Armenia is regulated by the Central Bank of Armenia.

Licensed credit organizations may carry out various financial operations, including but not limited to providing financial leasing, attracting borrowings and/or executing like transactions, extending loans, borrowings and finance debt or commercial transactions, factoring and providing financial consultancy, inter alia creating and administering customers credit information system, performing debt repayment operations as well as

with the Central Bank's consent conducting internationally practiced credit organization operations.

The main Armenian laws and regulations applicable to the business of Mogo Universal Credit Organization LLC are:

- Law on Credit Organizations,
- Law on Consumer Credits,
- Law on Circulation of Credit Information and Activities of Credit Bureaus,
- Law on Combating Money Laundering and Terrorism Financing,
- The Procedure on reporting to the Central Bank of Armenia, the Terms, forms and procedures of communication between financial organizations and consumers,
- Law on Financial System Mediator.

According to the Armenian law, credit institutions, such as Mogo Universal Credit Organization LLC must present reports to Central Bank with daily, weekly, monthly, quarterly and annual frequency.

The Central Bank of Armenia also applies a cap on penalties for overdue payments and prudential standards of activities of credit organizations.

Additionally, the non-banking credit institutions license requires:

- 1) To maintain minimum amount of statutory capital of 150mln AMD;
- 2) To maintain minimum amount of total capital of 150mln AMD;
- 3) To maintain minimum ratio of amounts of total capital and risk-weighted assets at 10%.

Uzbekistan

OOO Mogo Lend (Uzbekistan) is a leasing non-banking company, member of the Leasing Association of Uzbekistan. The company is not regulated by Central Bank of Uzbekistan.

The company's activities are regulated by the Law of the Republic of Uzbekistan No. 756-I "On Leasing", the Tax Code of the Republic of Uzbekistan and the Law of the Republic of Uzbekistan No. LRU-547 "On Personal Data".

The Government of the Republic of Uzbekistan continued social and economic reforms and market liberalisation, with the key focus on FDI attraction. In this context, the laws and regulations governing the business operation in Uzbekistan have been evolving rapidly. Future economic stability and development trends in Uzbekistan are largely dependent on the effectiveness of the Government's economic, financial and currency measures as well as the development of the legislative framework and political environment.

The company's financial position and operational performance will continue to be impacted by the political and economic transformation in Uzbekistan, including the application of the existing and future legislation and tax regulation, which have a significant influence on Uzbekistan's financial markets and overall economy. The company's management cannot currently foresee all transformations that might have an impact on the further reduction in the liquidity of financial markets and the growth of volatility on currency and equity markets, affecting the company's financial position.

Uganda

MOGO LOANS SMC Limited is a licensed non-deposit taking institution registered under the Companies Act of Uganda (2012), as amended from time to time, on 10

January 2019, in Kampala, Uganda. The responsible regulatory authority in Uganda is UMRA (Uganda Microfinance Regulatory Authority). The company's activities are regulated by Tier 4 Microfinance Institutions and Money Lenders Act, 2016, Tier 4 Microfinance Institutions and Money Lenders (Non-Deposit Taking Microfinance Institutions) Regulation, 2018 and UMRA guidelines. Companies operating in Uganda have to comply with the Data Protection and Privacy Act 2019 and the Data Protection and Privacy Regulations, 2021, which set general principles in relation to personal data protection, data subject rights and set a registration obligation for data collectors, controllers, and processors.

The company operates under the supervision of the Financial Intelligence Authority of Uganda. In addition to the local requirements, MOGO LOANS SMC Limited has adopted Eleving Group's AML/CTF/PF best practices.

Kenya

Mogo Auto Limited is a financing company registered under the Companies Act of Kenya (2015), as amended from time to time, on 21 December 2018, in Nairobi, Kenya. On 27 June 2024, Mogo Auto Limited was licensed by the Central Bank of Kenya (CBK) as a digital credit provider. As a result, the company is required to adhere to the Central Bank of Kenya (Digital Credit Providers) Regulations, 2022.

Under the Central Bank of Kenya (Digital Credit Providers) Regulations, 2022, digital credit providers are required to adhere to several rules to ensure responsible lending practices, consumer protection, and overall financial stability, for example, digital lenders must clearly disclose all terms and conditions of the credit, including interest rates, fees, and any other charges, before the loan agreement is finalized, must treat consumers fairly, ensuring that they do not engage in predatory lending practices or harassment of borrowers, must protect the personal and financial information of borrowers, adhering to data protection laws etc. Furthermore, the CBK may set limits on the interest rates and fees that digital credit providers can charge, ensuring that rates are not excessively high and that all charges are transparent and justifiable. The Central Bank of Kenya (Digital Credit Providers) Regulations, 2022, sets out rules also in respect to Credit Reference Bureau (CRB) reporting, debt collection practices, governance and risk management processes, capital and financial requirements, complaints handling and other topics.

Mogo Auto Limited is also a registered AML reporting institution (FRC No. 316) in compliance with the Proceeds of Crime and Anti-Money Laundering Act (2009) and has further adopted the Eleving Group's AML/CTF/PF best practice to further ensure the highest level of AML/CTF/PF compliance reasonably possible. The company is also compliant with the provisions of the Competition Act, No. 12 of 2010 as regulated by the Competition Authority of Kenya.

Moldova

O.C.N. "MOGO LOANS" S.R.L. (Moldova) carries out non-banking credit activities in Moldova (leasing services). As of 1 April 2019 O.C.N. "MOGO LOANS" S.R.L. has been registered with the Registry of National Commission for Financial Markets of Moldova, which is the supervisory body regarding consumer protection. Starting from 1 July 2023 financial activity of the company is regulated and supervised by the National Bank of Moldova. As a non-banking credit organization, the company complies with the consumer lending rules, consumers rights protection rules, set in the Moldovan Civil Code, Consumer Credit Law, Consumer Protection Law, Law on Non-bank Credit Organizations, Regulation on responsible lending requirements applied to non-banking credit organizations. The most important laws regulating the business of the company in Moldova are: the Law on Non-bank Credit Organizations, Regulation on responsible lending requirements applied to non-bank lending organizations,

Consumer Credit Law, Consumer Protection Law, Personal Data Protection Law, Anti-Money Laundering and Combating of Terrorism Financing Law.

O.C.N. SEBO CREDIT S.R.L. (Moldova) carries out non-banking credit activities in Moldova (consumer lending). As of 1 July 2023 it is regulated and supervised by the National Bank of Moldova. As a non-banking financial institution, the company must comply with the rules on consumer lending, consumers rights and protection, established by the Moldovan Civil Code, Consumer Credit Law, Consumer Protection Law, Law on Non-bank Credit Organizations, Regulation on responsible lending requirements applied to non-banking lending organizations. The most important laws regulating the business of the company in Moldova are: the Law on Non-bank Credit Organizations, Regulation on responsible lending requirements applied to non-bank lending organizations, Consumer Credit Law, Consumer Protection Law, Personal Data Protection Law, Anti-Money Laundering and Combating of Terrorism Financing Law.

Additionally, the non-bank credit organizations are required to hold and maintain its own capital in relation to the value of the assets at any date in the amount of at least 5%.

North Macedonia

Finance Company FINMAK DOO SKOPJE (formerly known as Finance Company FINTEK DOO Skopje and Finance Company TIGO FINANCE DOOEL Skopje) is a financial company, registered at the Central Registry of North Macedonia upon prior License no. 13-6093/4 of 25.08.2017, issued by the Ministry of Finance of North Macedonia, in accordance with the Law on Financial Companies. The issued license entitles FINMAK DOO SKOPJE to issue loans in accordance with the Law on Consumer Protection during Consumer Loans.

During its day-to-day operations, the company must comply and adhere to, among others, the following legislation:

- Law on Financial Companies – contains provisions regarding the founding and operation of financial companies, as well as the conditions and terms that must be met by the company in order to obtain a license and other types of approval from the Ministry of Finance as the supervisory body;
- Law on Consumer Protection regarding Consumer Loans – contains provisions which regulate the statutory elements of the loan agreement which is concluded between the company and the consumer, and other aspects of the lending process such as the obligation to check the creditworthiness of the client, the pre-contractual information; form and content of the notifications and reports that need to be delivered to the Ministry of Finance. The relevant supervisory body is the Ministry of Finance;
- Law on Anti Money Laundering and Terrorism Financing – contains provisions which regulate the statutory obligation for implementation of measures for prevention of money laundering and terrorist financing prevention, including but not limited to drafting and implementing AML/CFT Risk Assessment, introduction of AML Program, analysis and reporting, data retention, appointing AML Officer and Deputy and/or establishing AML Department, introducing internal controls and other measures. The relevant supervisory body is the Financial Intelligence Unit;
- Law on Personal Data Protection – contains provisions that regulate the collecting and processing of personal data of Finmak's clients, applicants, employees and job candidates. The Macedonian Law on Personal Data

Protection is fully harmonized with the EU General Data Protection Regulation. The relevant supervisory body is the Data Protection Agency;

- The other more important and applicable laws regulating the business of the company in North Macedonia are: the Law on consumer protection; Labour Law; Law on Trade Companies; Law on Obligations; Law on Safety and Protection at work; Law on Electronic Documents, Electronic Identification and Trust Services.

Furthermore, the financial company is required to ensure that the loan portfolio limit is set as share capital multiplied by 10.

Albania

ECFA Shpk (formerly Kreda Finance Shpk) is a non-bank financial institution, registered with the Central Bank of Albania and granted license nr. 42 date 22.11.2017 and operates under the law no 9662 dated 18 December 2006, as amended, titled "For Banks in the Republic of Albania". As a commercial company, it is registered as well at the National Business Register (QKB) and has a registration No. L71610009A, in compliance with the Albanian Law on Entrepreneurs and Companies. As such we comply with the Central Bank Regulations and tax legislation for lending activity.

The main Albanian laws and regulations applicable to the business of ECFA Shpk (formerly Kreda Finance Shpk):

- Central Bank of Albania regulations which include: licensing of the lending, reporting on portfolio growth (lending practices) and quality (delinquency ratios), capital adequacy, management profiles and corporate governance structure:
 - The Regulation no. 1 dated 17.01.2013 "On licensing and activity of non-bank financial Institutions" and supervised by the Bank of Albania (BoA);
 - Regulation 48/2015 "On consumer credit and mortgage credit";
 - Regulation 59/2008 "On the transparency for banking and financial products and services", integrated version;
 - Regulation 2/2013 "On risk management in the activity of non-bank financial institutions", integrated version; and
 - Regulation 72/2020 "On the functioning of the Credit Registry in the Bank of Albania", as well as the conditions and procedures for the recognition, use and review of the data administered in it.
- Tax law and regulation in reference to VAT applied for double taxation;
- Consumer protection law in reference to transparency and all law requirements about the terms and conditions;
- Anti-money laundering law in reference to identifying the company's customers and reporting on a regular basis to local authorities on suspicious transactions and/or sources of funds for the business; and
- Labour inspectorate; to be in compliance with labour code and mandatory standards for working conditions and to provide periodic reporting on the number of staff, salaries, insurance paid etc.

Additionally, the granted license on performing financing activities requires to maintain amount of equity at all times not lower than 10% of the total assets of the entity.

Botswana

ExpressCredit (Botswana) is a non-deposit taking financial institution, regulated by the Non-Bank Financial Institutions Regulatory Authority (hereinafter NBFIRA). Botswana's financial sector consists of banking sector and the non-banking financial sector. The non-bank financial sector is a plethora of financial institutions like capital markets, the insurance industry, pension and provident funds, collective investment undertakings, micro lenders and assets managers. All these service providers fall under the non-banking financial sector which is regulated by NBFIRA. NBFIRA is a single independent regulator tasked with the regulation of non-bank financial institutions (NBFI) and it operates under the NBFIRA Act of 200898.

The main laws and regulations applicable to the business of ExpressCredit are laws that support the operations of the Micro Lenders such as:

- Companies Act, which governs the formation of an entity to undertake the business of lending, be it a company or a business name.
- Employment Act, which regulates the relationship between ExpressCredit as the Employer and its staff.
- Financial Intelligence Act, which governs the conduct of businesses against the commission and perpetuation of the commission of financial crimes.

Additionally, according to the terms of Regulation 6 of the Micro-Lending Regulations, any person applying to carry on a business as a micro lender shall have and maintain at all times a minimum financial balance of BWP 20,000 (Twenty Thousand Pula).

Namibia

Express Credit Cash Advance (Pty) Ltd (Namibia) is one of the leading microlenders in Namibia offering non-deposit taking microlending products. The company is engaged in the provision of short to medium-term unsecured consumer loans to salaried employees of the public and private sectors. Microlending sector is supervised by Namibia Financial Institutions Supervisory Authority (NAMFISA) whose primary goal is to regulate and supervise financial institutions and financial intermediaries to foster a stable, fair non-banking financial sector contributing to the economic development of Namibia, and to promote consumer protection. Major regulations that the company complies with are Microlending Act No. 9 of 2018, Usury Act 73 of 1968 as well as various Standards issued by NAMFISA.

The regulatory environment in Namibia is very conducive to the consumer finance business which is regulated by the Microlending Act of 2018. The microlending market is categorised either as Payday (a loan that is repayable in 1 to 5 months) or Term Loans (loan repayment 6 to 60 months.) Express Credit Cash Advance (Pty) Ltd (Namibia) is the largest microlender in Payday Lending and holds 60% of the total value of disbursements. Express Credit Cash Advance (Pty) Ltd (Namibia) is the only player operating in both the long-term lending and microloan markets.

Zambia

Expresscredit (Zambia) is a non-bank financial institution registered under the Companies Act and licensed by the Central Bank of Zambia (Bank of Zambia). It is licensed to provide microfinance credit facilities to the public.

The Regulatory environment includes the following:

- Bank of Zambia regulations such as the Banking and financial services Act and its subsidiary legislation, circulars, guidelines and directives issued by the Central bank that govern the terms of licence, operations and sound business practices, consumer protection, prudential reporting and limits, risk management, Board shareholder and Senior Management responsibilities and general corporate governance.

- Patents and Companies Registration Agency, which governs the registration and corporate governance operational corporate governance requirements.
- Financial Intelligence Centre regulations, which provide requirements and guidelines for effective anti- money laundering frameworks for regulated entities.
- Competition and Consumer Protection Commission regulations, which administer regulation designed to prevent anti-competitive market conduct in any industry by the players and requiring approval of mergers and acquisitions that meet certain parameters.
- Tax Regulations, which dictate taxes payable by the company on various transactions and requirements for the same such as income tax, Pay As You Earn, Withholding Tax, Property Transfer Tax etc.
- Labour Regulations, which govern the employer-employee relationships and minimum wage protection.
- Pension and Health regulations (social security), which require the company to make certain contributions towards employees' national social security and health insurance scheme.
- Data Protection Commission, which relate to the licensing of data processors and controllers and the requirements around the processing and protection of personal data.

Lesotho

Express Credit Limited (Lesotho) is a credit only and non-deposit taking Micro finance institution duly registered with the Central Bank of Lesotho and certified Tier III License.

The company is required to comply with financial institutional regulations. These regulations are codified in the Financial Institutions Act 2012 (as amended in 2014). The regulations set lending limits and requirements for general conduct of micro finances, including customer complaints handling. The fundamental statutes include amongst others the Financial Consumer Protection Act 7 of 2022, the Credit Reporting Act 2011, the Money Lenders Order 1989, the Money Lenders Amendment Act 1993, the Financial Institutions Act 2012, the Exchange Control Order 1987, the AML Amendment Regulations 2019, the Exchange Control Order Regulations 1989, the Financial Institutions Regulations 2018, the Financial Consumer Protection (Disclosure of Credit Information) Regulations 2023, the Money Laundering (Administrative sanctions) Rules 2023, the Financial Institutions (Computation of Capital Change for Credit, Operational and Market Risks) Regulations 2023, the Micro Finance Amendment Regulations, the Credit Only and Deposit taking Micro-Finance Institutions Regulation 2014 and Amendment 2018, the Credit Reporting Regulations Part I and II.

The current legal climate requires strict adherence to the above listed legislation. Lesotho's finance regulation is dynamic and susceptible to change influenced by the ongoing legislative reforms.

XVII. INFORMATION ABOUT THE ISSUER AND THE GROUP

1. General Information about the Issuer

Legal and Commercial Name, Business Address and Website, LEI

The legal and commercial name of the Issuer is Eleving Group.

The registered office of the Issuer is at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, its telephone number is +352 26 18 61 and its fax number is +352 26 84 54 10. The Issuer's legal identifier (LEI) is 894500N14T2GUDX0FL66.

The website of the Issuer is <https://eleving.com/>. The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

History and Development of the Issuer, Commercial Register, Duration

The Issuer was incorporated on 18 December 2012, and operates, under the laws of Luxembourg, as a public limited liability company (*société anonyme*) with unlimited duration under the legal name of "Twelve Purslane S.A.". The legal name of the Issuer has been changed from "Twelve Purslane S.A." to "Mogo Finance", pursuant to the decision of an extraordinary general meeting of the then shareholders of the Issuer, recorded through a notarial deed dated 28 May 2014 and later from "Mogo Finance" to "Eleving Group" pursuant to the decision of an extraordinary general meeting of the then shareholders of the Issuer, recorded through a notarial deed dated 15 July 2021.

As per the Issuer's Articles of Association, the Issuer has been incorporated with unlimited duration. The Issuer is registered with Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.174457.

Business Purpose and Objectives of the Issuer

Pursuant to Article 3 of the restated articles of association (*statuts coordonnés*) of the Issuer dated 18 December 2012 as amended pursuant to shareholder resolutions dated 28 May 2014, 4 May 2015, 6 June 2016, 12 October 2018, 29 October 2019, 15 July 2021, 23 December 2021, 20 September 2022, 6 June 2024 and 8 August 2024 (the "**Articles of Association**"), the Issuer's purpose is to invest, acquire and take participations and interests, in any form whatsoever, in Luxembourg or foreign companies or entities having a purpose similar to the purpose of the Issuer and to acquire through participations, contributions, purchases, options or in any other way any securities, rights, interests, patents, trademarks and licenses or other property as the Issuer shall deem fit, and generally to hold, manage, develop, encumber, sell or dispose of the same, in whole or in part, for such consideration that is in the corporate interest of the Issuer.

The Issuer may also enter into any financial, commercial or other transactions and grant to any company or entity that forms part of the same group of companies as the Issuer or is affiliated in any way with the Issuer, including companies or entities in which the Issuer has a direct or indirect financial or other kind of interest, any assistance, loan, advance or grant in favor of third parties any security or guarantee to secure the obligations of the same, as well as borrow and raise money in any manner and secure by any means the repayment of any money borrowed.

Finally the Issuer may take any action and perform any operation which is, directly related to its purpose in order to facilitate the accomplishment of such purpose.

The Articles of Association of the Issuer have been amended several times since its incorporation, and for the last time, pursuant to a notarial deed dated 8 August 2024 and published in the Luxembourg *Recueil Electronique des Sociétés et Associations*, under number L240189605.

Business Overview

The Issuer's business operations consist of providing financing to the Group companies. The Issuer is financed through its share capital, external debt and cash from the activities of the Group's operating companies. The Issuer's ability to pay dividends, if any, on the Shares is therefore dependent on financing and cash transferred to it from the operating companies of the Group.

Material Adverse Change in the Prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since 30 June 2024.

To the best of the Issuer's knowledge, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

Material Changes in the Borrowing and Funding Structure of the Issuer

There has been no material changes in the borrowing and funding structure of the Issuer since 30 June 2024.

Investments

In 2019 Eleving introduced a new premium vehicle financing brand, Primero, through a joint venture with a local Latvian bank Signet bank AS. On 13 April 2021 AS Eleving Stella (Latvia) has signed a shareholders' agreement with Signet bank AS (Latvia), designed to establish a successful business cooperation and to agree on the procedures applicable to the operation of Primero Holding AS (Latvia) and/or its subsidiaries and the business, on the decision-making on operational, financial and organizational issues and other issues relating to Primero Holding AS (Latvia) and/or its subsidiaries; as well as the regulation of mutual relations of the shareholders of Primero Holding AS (Latvia).

Primero brand (financing for higher-end vehicles) is currently operational only in Latvia and Estonia.

The main material investment that Eleving is engaged into relates to capitalized software. A breakdown of the amounts on a yearly basis follows:

2023: EUR 2.5 M

2022: EUR 3.9 M

2021: EUR 3.3 M

The capitalized software investments refer to (i) internally generated intangible assets, primarily including internal development and improvement costs of the Group's IT systems (e.g. Group IT employee salaries and social security contributions) and (ii) externally acquired computer software product costs and development services.

The investments in the Group's IT systems have resulted in achieving or materially supporting the Key Strengths of the Group described in Section VIII (Business) part 3 (Key Strengths).

There are no other material investments that are in progress or for which Elevation commitments have already been made.

Corporate Governance

In its decision making and administration, the Issuer applies the Luxembourg Company Law, the Luxembourg Shareholder Rights Law and the Issuer's Articles of Association.

The Issuer complies with its country's of incorporation corporate governance regime.

As at the date of this Prospectus, to the best knowledge of the Issuer, there are no potential material impacts on the corporate governance of the Issuer.

Financial Year of the Issuer

The financial year of the Issuer commences on January 1 and ends on December 31 of each calendar year.

Independent Auditor

The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the financial years ended 31 December 2023 and 31 December 2022 is BDO Audit (*société anonyme*), incorporated under the laws of Luxembourg, having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.147570.

BDO Audit (*société anonyme*) is a *cabinet de révision agréé* by the CSSF and a member of the Luxembourg Institute of Statutory Auditors (*Instituts des réviseurs d'entreprises*).

The statutory auditor (*réviseur d'entreprises agréé*) of the Issuer for the financial year ended 31 December 2021 is KPMG Luxembourg (*société coopérative*), incorporated under the laws of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B.149133.

KPMG Luxembourg (*société coopérative*) is a *cabinet de révision agréé* by the CSSF and a member of the Luxembourg Institute of Statutory Auditors (*Instituts des réviseurs d'entreprises*).

2. History of the Group

Elevation Group was founded in 2012 in Latvia to provide innovative and easy-to-use financing products for purchasing pre-owned cars. At that time, the pre-owned car financing segment was largely neglected by the banks, which have always been much more willing to finance new cars than most of the population cannot afford. Also, the value of pre-owned cars over three to four years of utilization was stable and depreciated significantly slower than the value of the new cars. On top of that, the demand for used cars and actual sales volumes were much higher compared to those for new cars. All these factors led to the creation of Elevation Group's business - to provide financing alternatives for consumers so they can purchase cars they can afford.

From the currently operationally active markets, the Group launched operations in Lithuania, Estonia, and Georgia in 2013 and 2014, while from 2016 to 2019, the Group started operations in Romania, Armenia, Moldova, Uzbekistan, Kenya, and Uganda. In 2020, the Group made three strategic acquisitions in Moldova, North Macedonia, and Albania, all profitable and mature companies operating in consumer finance. In 2023, Eleveling Group expanded its presence in Africa by integrating four Sub-Saharan consumer markets in Botswana, Namibia, Zambia, and Lesotho. Currently, the Group operates in 16 countries across 3 continents, recording an over 20% annual growth in net portfolio in the last 7 years.

3. Beneficial ownership

As at the date of this Prospectus, the beneficial owners of the Issuer are:

- a. Aigars Kesenfelds, holding indirectly 43.67% of the voting share capital of the Issuer;
 - b. Alberts Pole, holding indirectly 14.56% of the voting share capital of the Issuer;
 - c. Kristaps Ozols, holding indirectly 14.56% of the voting share capital of the Issuer; and
 - d. Māris Keišs, holding indirectly 14.56% of the voting share capital of the Issuer;
 - e. Mārcis Grīnis, holding indirectly 2.50% of the voting share capital of the Issuer;
 - f. Jēkabs Endziņš, holding indirectly 2.50% of the voting share capital of the Issuer
- (together, the “**Founders**“)

The remaining voting share capital of the Issuer is owned by minority shareholders and current and former employees of the Issuer in the following proportions:

- a. Modestas Sudnius, holding directly 3.00% of the voting share capital of the Issuer;
- b. Māris Kreics, holding indirectly 1.50% of the voting share capital of the Issuer
- c. Mārtiņš Baumanis, holding indirectly 2.00% of the voting share capital of the Issuer
- d. Igors Lavrinovičs, holding directly 0.5% of the voting share capital of the Issuer
- e. Jūlija Lebedinska – Ļitvinova, holding directly 0.42% of the voting share capital of the Issuer
- f. Toms Puriņš, holding indirectly 0.25% of the voting share capital of the Issuer

There are no particular measures to prevent abusive exercise of control on the Issuer. The Issuer’s Management Board believes that the Issuer’s corporate governance structure, together with the provisions of Luxembourg corporate law, provides sufficient safeguards against the abuse of controlling interests by shareholders.

4. Issuer and Subsidiaries

The table below sets forth the list of the Issuer’s subsidiaries as at 30 June 2024.

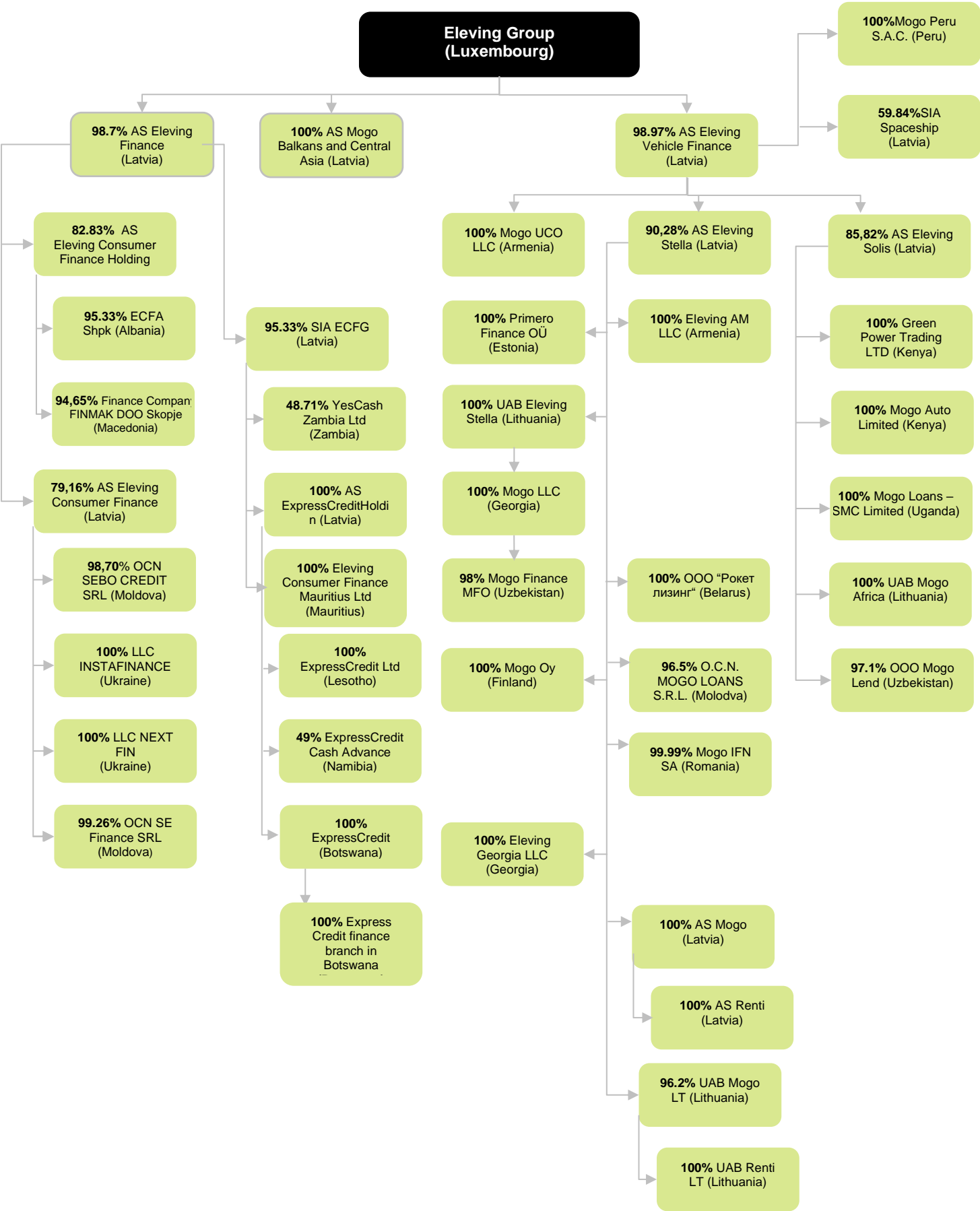
Subsidiary name	Country of incorporation	Registration number	Principal activities	% equity interest 30 June 2024
Mogo Balkans and Central Asia AS	Latvia	40203150045	Management services	100,00%

Eleving Vehicle Finance AS	Latvia	42103088260	Management services	98,97%
Mogo Peru S.A.C.	Peru	20609973618	Financing	98,97%
Mogo UCO LLC	Armenia	42	Financing	98,97%
Eleving Finance AS	Latvia	40203150030	Management services	98,70%
SIA ECFG	Latvia	40203082656	Management services	94,09%
ExpressCredit branch in Botswana	Botswana	BW00004103567	Management services	94,09%
AS ExpressCredit Holding	Latvia	40203169911	Management services	94,09%
YesCash Group Ltd	Mauritius	137426 C1/GBL	Financing	94,09%
ExpressCredit Ltd	Lesotho	TRMBS:68483	Financing	94,09%
ExpressCredit Proprietary Ltd	Botswana	BW00000115487	Financing	94,09%
Primero Finance OU	Estonia	12401448	Financing	89,36%
Mogo LLC	Georgia	404468688	Financing	89,36%
Eleving Georgia LLC	Georgia	402095166	Retail of motor vehicles	89,36%
Eleving AM LLC (Longo LLC)	Armenia	286.110.1015848	Retail of motor vehicles	89,36%
Mogo OY	Finland	3263702-2	Financing	89,36%
Mogo IFN SA	Romania	35917970	Financing	89,36%
Eleving Stella AS	Latvia	40103964830	Management services	89,36%
Eleving Stella LT UAB	Lithuania	305018069	Management services	89,36%
Rocket Leasing OOO	Belarus	193553071	Financing	89,36%
Renti AS	Latvia	40203174147	Rent services	89,36%
Mogo AS	Latvia	50103541751	Financing	89,36%
MOGO FINANCE LLC JE	Uzbekistan	310380440	Financing	87,57%
Mogo Loans SRL	Moldova	10086000260223	Financing	86,23%
Mogo LT UAB	Lithuania	302943102	Financing	85,96%
Renti UAB	Lithuania	305653232	Financing	85,96%
Eleving Solis AS	Latvia	40203182962	Management services	84,94%
Mogo Africa UAB	Lithuania	304991028	Management services	84,94%
MOGO LOANS SMC LIMITED	Uganda	80020001522601	Financing	84,94%
Mogo Auto Ltd	Kenya	PVT-AJUR7BX	Financing	84,94%
Green Power Trading LTD (Mogo Kenya Ltd)	Kenya	PVT-BEU3ZKD	Financing	84,94%
Mogo Lend LTD	Uzbekistan	305723654	Financing	82,48%
Eleving Consumer Finance Holding, AS	Latvia	40203249386	Management services	81,75%
Eleving Consumer Finance AS	Latvia	54103145421	Management services	78,13%
Insta Finance LLC	Ukraine	43449827	Financing	78,13%
Next Fin LLC	Ukraine	42273138	Financing	78,13%
ECFA Shpk	Albania	L71610009A	Financing	78,02%
OCN SE Finance SRL	Moldova	1020600028773	Financing	77,55%
FINTEK DOO Skopje (TIGO Finance DOOEL)	North Macedonia	7229712	Financing	77,38%
OCN Sebo Credit SRL	Moldova	1017600000371	Financing	77,12%
SIA Spaceship	Latvia	40203300224	Car sharing services	59,23%

ExpressCredit Cash Advance Ltd	Namibia	2016/0767	Financing	46,10%
YesCash Zambia LTD	Zambia	120180003452	Financing	45,83%

The chart below sets forth the legal structure of the Group and the subsidiaries of the Issuer as at 30 June 2024.

**Eleving Group
(Luxembourg)**



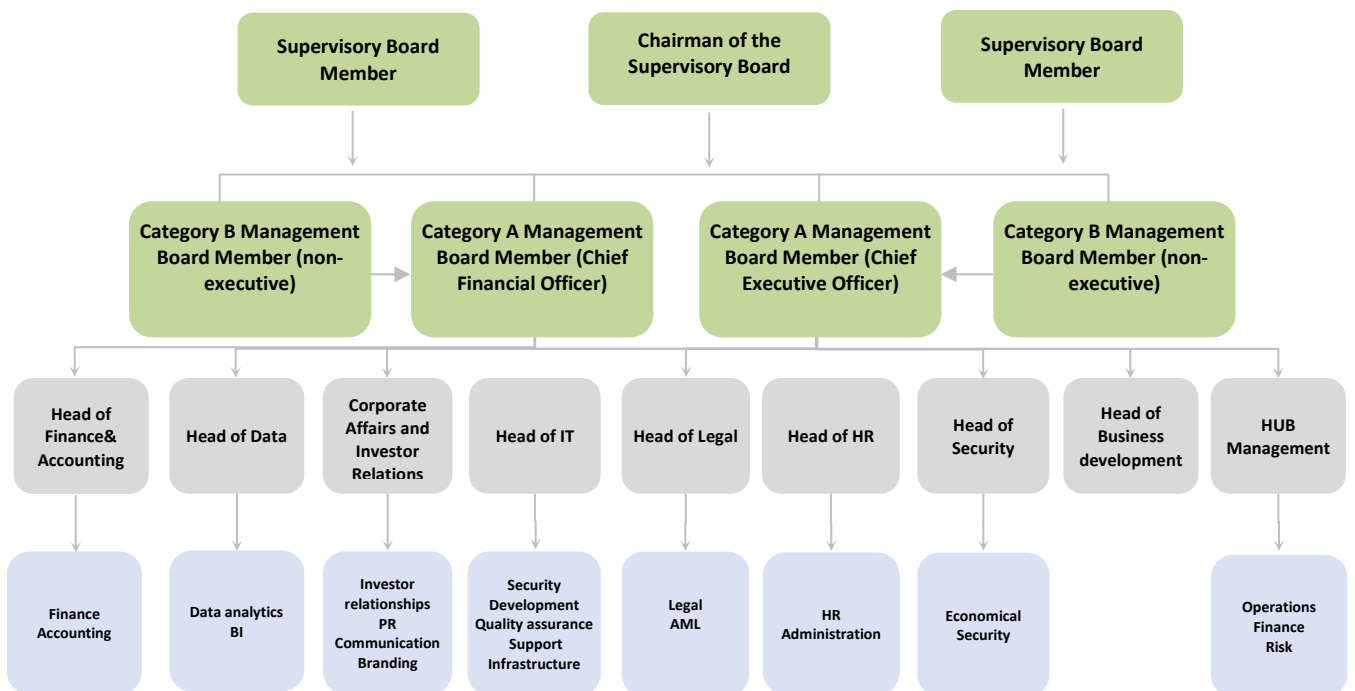
The Issuer is the holding company of the Group and has no relevant business or operational activities other than the administration and financing of its direct and indirect subsidiaries. Therefore, the Issuer is dependent on payments of the operating entities of the Group.

5. Organization Structure

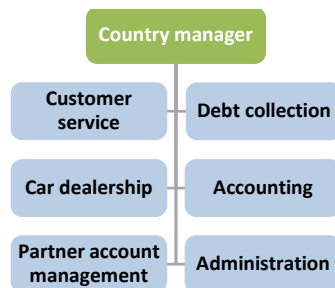
Overview

The Group is managed by the Management Board (*directoire*) and supervised by the Supervisory Board (*conseil de surveillance*) of the Issuer and the management team of Eleving. The management team is formed by the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Chief Information Officer (See “*Management*”). In addition, the Group has a Head of Data Science, Head of Marketing, Head of Legal and country managers.

The Group’s organization structure is set out in the chart below.



The organization structure for the typical local operation unit in each jurisdiction is set out in the chart below.



6. Properties of the Group

We do not own any land or buildings. We lease a number of our premises and certain equipment under operating leases. The leases typically run for an initial period of up to five years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

7. Employees

As at 30 June 2024, Eleving Group has 2809 employees. 260 employees were based in Latvia; 208 of these employees were engaged in Group-level functions. The table below sets forth the number of employees based in each of our countries of operation as at the respective dates.

Country	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Latvia (group functions)	212	225	227	182	161
Latvia (operations)	48	45	53	54	67
Lithuania (group functions)	27	32	26	32	30
Lithuania (operations)	41	49	56	47	46
Estonia	25	20	22	21	23
Georgia	70	78	75	78	95
Romania	58	55	64	57	54

Moldova	184	188	225	213	221
Albania	228	226	225	234	207
Armenia	73	70	64	165	160
Ukraine	55	118	61	121	252
North Macedonia	172	145	175	158	134
Uganda	416	356	394	324	220
Kenya	745	888	732	891	975
Uzbekistan	57	49	56	47	41
Namibia	206	-	158	-	-
Botswana	87	-	53	-	-
Zambia	95	-	83	-	-
Lesotho	10	-	11	-	-
Total	2 809	2 544	2 760	2 624	2 686

The table below sets forth the breakdown of persons employed by main category of activity with respect to the entire Group, as at 30 June 2024.

Main Category of Activity	Number of Employees as at 30 June 2024	Number of Employees as at 30 June 2023
Customer service	993	665
Underwriting	31	35
Debt Collection	709	651
Motor vehicle dealerships	65	64
Marketing	24	17
Partner Account Management	18	30
IT	99	104
Administration and finance	228	213
Business operations	600	732
Management	42	33

We expect that the number of employees in our countries of operation as well as the total number of our employees will grow going forward.

Social Policy and Employee Benefits

We believe that our current compensation package is generally competitive compared to the packages offered by our competitors or employers in other industries which engage professionals with similar education and experience records.

Our personnel management policy is aimed at developing a skilled and highly-productive staff that is successful in performing its responsibilities. We have developed a comprehensive training program which provides for both internal and external professional training of employees at all levels.

We have not been party to any major labor dispute with our employees.

8. Material Agreements

The following section provides a summary of material agreements to which any member of the Group is a party.

a. Eleving Group Bonds 2023/2028

On 31 October 2023, Eleving Group issued 13% senior secured bonds due 31 October 2028 for an aggregate principal amount of EUR 50,000,000.00 (the “**Eleving Group Bonds 2023/2028**”) with ISIN DE000A3LL7M4. The Eleving Group Bonds 2023/2028 are traded on the Frankfurt Stock Exchange’s and Nasdaq Riga’s Regulated Market. The prospectus for the admission to trading of the Eleving Group Bonds 2023/2028 on the Frankfurt Stock Exchange’s and Nasdaq Riga’s Regulated Market was approved by the CSSF on 26 September 2023.

The Eleving Group Bonds 2023/2028 are guaranteed by several subsidiaries of Eleving Group and are secured with local security documents provided by several subsidiaries of the Eleving Group.

b. Elevation Group Subordinated Bonds due 29 December 2031

On 29 December 2021, Eleving Group issued the EUR 25 million 12% + 6 month EURIBOR subordinated bonds due 31 December 2031, ISIN XS2427362491 (the “**Eleving Group Subordinated Bonds 2021/2031**”). The Eleving Group Subordinated Bonds 2021/2031 are traded on the Nasdaq Baltic First North Market of the Nasdaq Riga. The Eleving Group Subordinated Bonds 2021/2031 will mature on 31 December 2031.

Eleving Group Subordinated Bonds 2021/2031 are unsecured and subordinated to other senior debt of Eleving Group. The Eleving Group Subordinated Bonds 2021/2031 rank junior in right of payment with all other present and future obligations of Eleving Group and senior to all its existing and future shareholder loans.

As at 30 June 2024, the principal outstanding amount under the Eleving Group Subordinated Bonds 2021/2031 was EUR 12.7 million.

c. Elevation Group Bonds 2021/2026

On 18 October 2021, Eleving Group issued 9.50% senior secured bonds due 18 October 2026 for an aggregate principal amount of EUR 150,000,000.00 (the “**Eleving Group Bonds 2021/2026**”) with ISIN XS2393240887. The Eleving Group Bonds 2021/2026 are traded on the Frankfurt Stock Exchange and an application has been made to be traded on Frankfurt Stock Exchange’s Regulated Market (*General Standard*). The prospectus for the admission to trading of the Eleving Group Bonds 2021/2026 on the Frankfurt Stock Exchange’s Regulated Market was approved by the CSSF on 22 September 2023. The Eleving Group Bonds 2021/2026 are further traded

on Nasdaq Riga's Regulated Market and an application has been made to be traded on Nasdaq Riga's Regulated Market. The prospectus for the admission to trading of the Eleving Group Bonds 2021/2026 on the Nasdaq Riga's Regulated Market was approved by the CSSF on 22 March 2024.

The Eleving Group Bonds 2021/2026 are guaranteed by several subsidiaries of Eleving Group and are secured with local security documents provided by several subsidiaries of the Eleving Group. The Eleving Group Bonds 2021/2026 rank *pari passu* with the Eleving Group Bonds 2023/2028.

As at 30 June 2024, the principal outstanding amount under the Eleving Group Bonds 2021/2026 was EUR 136.4 million.

d. Eleving Group Bonds 2018/2022

Eleving Group issued 9.50% senior secured bonds due 10 July 2022 for an aggregate principal amount of EUR 100,000,000.00 (the "**Eleving Group Bonds 2018/2022**") in three consolidated tranches forming a single series with ISIN XS1831877755.

The Eleving Group Bonds 2018/2022 were outstanding as at the issue date of the Bonds, and were fully redeemed as at 20 October 2021 with the proceeds from the issue of the Eleving Group Bonds 2021/2026.

The Eleving Group Bonds 2018/2022 were secured with local security documents, which were released upon repayment of the Eleving Group Bonds 2018/2022.

e. Mintos

AS "mogo", AS Renti, Primero Finance OÜ, UAB "mogo LT", UAB Renti, Mogo IFN SA, Expresscredit (Proprietary) Limited, , Express Credit Cash Advance (Proprietary) Limited, Mogo LLC, O.C.N. "MOGO LOANS" S.R.L., OCN SEBO CREDIT SRL, ECFA Shpk (formerly KREDO FINANCE SHPK), FINANCE COMPANY FINMAK DOO SKOPJE, MOGO Universal Credit Organization LLC and Mogo Auto Limited have financed their operations through the Mintos marketplace. Mintos is a global platform for investing in loans and is a go-to investment platform where retail investors can invest, in a diversified way, in income-producing assets to build wealth in the long term.

The Mintos platform typically works as follows: (i) borrowers (i.e., Eleving's customers) apply for a loan with the loan originator (i.e., Eleving), (ii) the loan originator evaluates the application, sets an interest rate and lends money from its own funds and (iii) several loans with similar properties are pooled together in notes, which are financial instruments that allow investors to essentially invest in loans on a regulated environment. The notes are then listed on the Mintos marketplace, where investors can select notes to invest in, thereafter receiving part of monthly payments and interest. By investing in notes, investors are buying a financial instrument with an International Securities Identification Number (ISIN). In the case that a borrower is unable to repay the loan, investors may lose some or all of their invested capital. The loan originator may guarantee the performance of the borrower, by undertaking to buy back the notes if they remain unpaid for 60 days after they are due. In certain cases, however, Mintos as a loan originator grants a loan, or a series of loans, to Eleving, which then repays from loans to its customers serving as the source of repayment and Mintos as the loan originator further lists such loans on the Mintos marketplace by issuing separate notes, where investors can select notes to invest in, thereafter receiving part of monthly payments and interest received by Mintos from Eleving. The notes are secured by security agreements entered between Mintos and the relevant Eleving entity. The term "**Mintos Debt**" refers to the net amount owned by Eleving to

Mintos from time to time in the context of the above transactions executed between them.

Mintos investors can find more information about the applicable structure and the role of each entity in the base prospectus that applies to a particular set of notes.

Below a brief description of the contractual arrangement with the Mintos marketplace for each jurisdiction where we operate:

1. Latvia

1.1. AS “mogo”

AS “mogo” issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.1. SIA Mintos Finance No.1 then issues a series of notes corresponding to these loan receivables to investors via the Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to AS “mogo”. The notes are secured with a pledge over the loan receivables forming the pool under the notes.

Security agreements in place:

- receivables pledge agreement
Pledgor: AS mogo (Latvia)
Pledgee: SIA Mintos Finance No.1 (Latvia) and AS Mintos Marketplace (Latvia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: AS “mogo” (Latvia)
Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer’s monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner’s obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor’s group:

Capitalization ratio of no less than 15% (fifteen per cent).

ICR for the Guarantor’s group of no less than 1.25 (one point two five).

Non-performing loans ratio for the Partner of less than 10% (fourteen per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days

during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

1.2. AS Renti

AS Renti concludes rent agreements with its clients/renters. The renters use the vehicle that is bought and owned by AS Renti. After concluding these agreements, AS Renti requests disbursement of a loan from Mintos Finance Estonia OÜ (Estonia) in an amount that is no more than 95% of the evaluation price for the vehicle. Once the loan agreement with AS Renti as a severally liable borrower is concluded, Mintos Finance Estonia OÜ (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.1 (Latvia). SIA Mintos Finance No.1 (Latvia) issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OÜ (Estonia). After receipt of the purchase price Mintos Finance Estonia OÜ (Estonia) makes the disbursement of the loan to AS Renti.

Security agreements in place:

- asset (vehicle) pledge agreement
Pledgor: AS Renti (Latvia)
Pledgee: Mintos Finance Estonia OÜ (Estonia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
SPV (Lender): Mintos Finance Estonia OÜ (Estonia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: AS Renti (Latvia)
Guarantor: Eleveling Group (Luxembourg)

In accordance with this agreement, in order to secure the SPV (Lender's) monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the SPV (Lender's) the performance of the Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio –no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 10% (ten per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days

during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

2. Estonia

Primero Finance OÜ (Estonia) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.1. SIA Mintos Finance No.1 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to the Primero Finance OÜ (Estonia). The notes are secured with a pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- receivables pledge agreement
Pledgor: Primero Finance OÜ (Estonia)
Pledgee: SIA Mintos Finance No.1 (Latvia) and AS Mintos Marketplace (Latvia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: Primero Finance OÜ (Estonia)
Guarantor: Eleveling Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 8% (for car loans) and 15% (for installment loan as per Mintos definition). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

3. Lithuania

3.1. UAB "mogo LT"

(Lithuania) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.1. SIA Mintos Finance No.1 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to UAB “mogo LT” (Lithuania). The notes are secured with pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- receivables pledge agreement
Pledgor: UAB “mogo LT” (Lithuania)
Pledgee: SIA Mintos Finance No.1 (Latvia) and AS Mintos Marketplace (Latvia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: UAB “mogo LT” (Lithuania)
Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer’s monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner’s obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor’s group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor’s group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 10% (ten per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

3.2. UAB Renti

UAB Renti concludes rent agreement with its clients/renters. The renters are using the vehicle that is bought and owned by UAB Renti. After concluding these agreements, UAB Renti requests disbursement of a loan from Mintos Finance Estonia OÜ (Estonia) in an amount that is no more than 95% of the evaluation price for the vehicle. Once the loan agreement with UAB Renti as a severally liable borrower is concluded, Mintos Finance Estonia OÜ (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.1 (Latvia). SIA Mintos Finance No.1 (Latvia) issues a series of notes corresponding to these

loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OÜ (Estonia). After receipt of the purchase price Mintos Finance Estonia OÜ (Estonia) makes the disbursement of the loan to UAB Renti.

Security agreements in place:

- Receivables pledge agreement
Pledgor: UAB Renti (Lithuania)
Pledgee: Mintos Finance Estonia OÜ (Estonia)
- Property complex agreement
Pledgor: UAB Renti (Lithuania)
Pledgee: Mintos Finance Estonia OÜ (Estonia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
SPV (Lender): Mintos Finance Estonia OÜ (Estonia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: UAB Renti (Lithuania)
Guarantor: Eleveling Group (Luxembourg)

In accordance with the Receivables pledge and Property complex agreements, in order to secure the SPV (Lender's) monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the SPV (Lender's) the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of these agreements, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 10% (ten per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

4. Romania

Mogo IFN SA (Romania) issues loans to borrowers, then requests disbursement of a loan from Mintos Finance Estonia OU (Estonia) in an

amount that is no more than 95% of the principal amount of each borrower's loan, and then Mintos Finance Estonia OU (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.1 (Latvia). SIA Mintos Finance No.1 (Latvia) issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OU (Estonia). After receipt of the purchase price Mintos Finance Estonia OU (Estonia) makes the disbursement of the loan to Mogo IFN SA (Romania).

Security agreements in place:

- movable mortgage agreement over receivables
Pledgor: Mogo IFN SA (Romania)
Pledgee: Mintos Finance Estonia OU (Estonia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
SPV (Lender): Mintos Finance Estonia OU (Estonia)
Partner: Mogo IFN SA (Romania)
Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 15% (fifteen per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

5. Georgia

Mogo LLC (Georgia) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.1. SIA Mintos Finance No.1 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mogo LLC

(Georgia). The notes are secured with pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- receivables pledge agreement

Pledgor: Mogo LLC (Georgia)

Pledgee: SIA Mintos Finance No.1 (Latvia) and AS Mintos Marketplace (Latvia)

- Guarantee Agreement

Issuer: SIA Mintos Finance No.1 (Latvia)

Investment Firm: AS Mintos Marketplace (Latvia)

Partner: Mogo LLC (Georgia)

Guarantor: Eleving Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 14% (fourteen per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

6. Moldova

6.1 O.C.N. "MOGO LOANS" S.R.L.

O.C.N. "MOGO LOANS" S.R.L. (Moldova) issues loans to borrowers, then requests disbursement of a loan from Mintos Finance Estonia OU (Estonia) in an amount that is no more than 90% of the principal amount of each borrower's loan, and then Mintos Finance Estonia OU (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.1 (Latvia). SIA Mintos Finance No.1 (Latvia) issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OU (Estonia). After receipt of the purchase price Mintos Finance Estonia OU (Estonia) makes the disbursement of the loan to O.C.N. "MOGO LOANS" S.R.L. (Moldova).

Security agreements in place:

- Receivables pledge agreement
Pledgor: O.C.N. "MOGO LOANS" S.R.L. (Moldova)
Pledgee: Mintos Finance Estonia OU (Estonia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
SPV (Lender): Mintos Finance Estonia OU (Estonia)
Partner: O.C.N. "MOGO LOANS" S.R.L. (Moldova)
Guarantor: Eleveling Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 12% (twelve per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

6.2. OCN SEBO CREDIT SRL

O.C.N. "SEBO CREDIT" S.R.L. (Moldova) issues loans to borrowers, then requests disbursement of a loan from Mintos Finance Estonia OU (Estonia) in an amount that is no more than 95% of the principal amount of each borrower's loan, and then Mintos Finance Estonia OU (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.6 (Latvia). SIA Mintos Finance No.6 (Latvia) issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OU (Estonia). After receipt of the purchase price Mintos Finance Estonia OU (Estonia) makes the disbursement of the loan to O.C.N. "SEBO CREDIT" S.R.L. (Moldova).

Security agreements in place:

- Receivables pledge agreement

Pledgor: O.C.N. "SEBO CREDIT" S.R.L. (Moldova)

Pledgee: Mintos Finance Estonia OU (Estonia)

- **Guarantee Agreement**

Issuer: SIA Mintos Finance No.6 (Latvia)

Investment Firm: AS Mintos Marketplace (Latvia)

SPV (Lender): Mintos Finance Estonia OU (Estonia)

Partner: O.C.N. "SEBO CREDIT" S.R.L. (Moldova)

Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio –no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 7% (seven per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

7. Albania

ECFA Shpk (formerly Kreda Finance Shpk) (Albania) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.6. SIA Mintos Finance No.6 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to ECFA Shpk (formerly Kreda Finance Shpk) (Albania). The notes are secured with pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- **receivables pledge agreement**

Pledgor: ECFA Shpk (formerly Kreda Finance Shpk) (Albania)

Pledgee: SIA Mintos Finance No.6 (Latvia) and AS Mintos Marketplace (Latvia)

- **Guarantee Agreement**

Issuer: SIA Mintos Finance No.6 (Latvia)

Investment Firm: AS Mintos Marketplace (Latvia)

Partner: ECFA Shpk (formerly Kredo Finance Shpk) (Albania)

Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 11% (eleven per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

8. North Macedonia

FINANCE COMPANY FINMAK DOO SKOPJE (Republic of North Macedonia) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.6. SIA Mintos Finance No.6 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to FINANCE COMPANY FINMAK DOO SKOPJE (Republic of North Macedonia). The notes are secured with pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- receivables pledge agreement

Pledgor: FINANCE COMPANY FINMAK DOO SKOPJE (Republic of North Macedonia)

Pledgee: SIA Mintos Finance No.6 (Latvia) and AS Mintos Marketplace (Latvia)

- Guarantee Agreement

Issuer: SIA Mintos Finance No.6 (Latvia)

Investment Firm: AS Mintos Marketplace (Latvia)

Partner: FINANCE COMPANY FINMAK DOO SKOPJE (Republic of North Macedonia)

Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the

Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 14% (fourteen per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

9. Armenia

MOGO Universal Credit Organization LLC (Armenia) issues loans to borrowers, then requests disbursement of a loan from Mintos Finance Estonia OU (Estonia) in an amount that is no more than 95% of the principal amount of each borrower's loan, and then Mintos Finance Estonia OU (Estonia) sells the relevant loan receivables to SIA Mintos Finance No.1 (Latvia). SIA Mintos Finance No.1 (Latvia) issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mintos Finance Estonia OU (Estonia). After receipt of the purchase price Mintos Finance Estonia OU (Estonia) makes the disbursement of the loan to MOGO Universal Credit Organization LLC (Armenia).

Security agreements in place:

- Receivables pledge agreement
Pledgor: MOGO Universal Credit Organization LLC (Armenia)
Pledgee: Mintos Finance Estonia OU (Estonia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
SPV (Lender): Mintos Finance Estonia OU (Estonia)
Partner: O.C.N. MOGO Universal Credit Organization LLC (Armenia)
Guarantor: Eleving Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 15% (fifteen per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

10. Kenya

Mogo Auto Limited (Kenya) issues loans to borrowers, and then sells the relevant loan receivables to SIA Mintos Finance No.1. SIA Mintos Finance No.1 then issues a series of notes corresponding to these loan receivables to investors via Mintos platform. When an investor purchases any note of the series, its Mintos investment account is credited with the note and debited with the purchase price of the note. The purchase price is transferred to Mogo Auto Limited (Kenya). The notes are secured with pledge over loan receivables forming the pool under the notes.

Security agreements in place:

- Receivables pledge agreement
Pledgor: Mogo Auto Limited (Kenya)
Pledgee: SIA Mintos Finance No.1 (Latvia) and AS Mintos Marketplace (Latvia)
- Guarantee Agreement
Issuer: SIA Mintos Finance No.1 (Latvia)
Investment Firm: AS Mintos Marketplace (Latvia)
Partner: Mogo Auto Limited (Kenya)
Guarantor: Elevation Group (Luxembourg)

In accordance with this agreement, in order to secure the Issuer's monetary claims towards the Partner arising (or that may arise) from the notes, the Guarantor guarantees to the Issuer the performance of Partner's obligations that may be incurred and arising from the notes.

During the effectiveness of this agreement, the Guarantor undertakes to ensure to provide consolidated financial ratios of Guarantor's group:

Capitalization ratio – no less than 15% (fifteen per cent).

ICR for the Guarantor's group of not less than 1.25 (one point two five).

Non-performing loans ratio for the Partner – less than 20% (twenty per cent). Non-performing loans ratio is calculated by dividing (x) the sum of the outstanding principal amount of loans issued by the Partner, which are due for over 60 (sixty) days during the 3-month vintage period, (y) by the sum of principal amounts disbursed during the same 3-month period. The fact that a loan is due for over 60 (sixty) days during the 3-month vintage period is measured at the end of the 5th month following the month of disbursement.

f. Ardshinbank (Armenian Bank)

On 2 November 2017 Ardshinbank a company incorporated in Armenia, with registration certificate number 0394 and registration number 83 (“**Ardshinbank**”), has made a facility available to MOGO Universal Credit Organization LLC (Armenia) in the amount of up to AMD 3,800,000,000.00, and on 2 November 2020, a new amendment was signed according to which the loan was restructured to a revolving credit line with quarterly limit decreases (the “**Ardshinbank Armenian Facility Agreement**”). The Ardshinbank Armenian Facility Agreement provides for an interest rate of 14% and maturity date of 2 November 2024.

The Ardshinbank Armenian November Facility Agreement is secured with an account pledge agreement over the funds in the bank accounts of MOGO Universal Credit Organization LLC (Armenia) in favor of Ardshinbank, a guarantee granted by Eleving Group (Luxembourg) and a receivables pledge agreement on certain receivables of MOGO Universal Credit Organization LLC (Armenia), in compliance with the Terms and Conditions.

The Ardshinbank Armenian Facility Agreement was fully repaid as at 4 February 2024 and the security was released.

g. AS mogo Notes due 31 March 2024

On 1 March 2021, AS “mogo” issued the EUR 30 million 11% notes due 31 March 2024, ISIN LV0000802452 (the “**AS mogo Notes**”). The AS mogo Notes are traded on the Regulated Market Baltic Bond List of the Nasdaq Riga. The AS mogo Notes had a maturity date of 31 March 2024 but they have been fully redeemed before the said maturity date.

The AS mogo Notes were unsecured and equivalent to other unsecured loans of AS “mogo”. The AS mogo Notes ranked *pari passu* in right of payment to all of AS “mogo”'s existing and future senior unsecured indebtedness. The AS mogo Notes were unconditionally and irrevocably guaranteed by Eleving Group.

h. AS mogo guarantee

On 12 December 2018 the subsidiary in Latvia - AS mogo issued guarantee letters for the benefit of SIA Skanste City (previously SWH Grupa JSC) to secure other Subsidiary AS Eleving Vehicle Finance) obligations from the secured office space lease agreements concluded on 12 December 2018.

According to the guarantee letters AS mogo undertook to fulfil AS Eleving Vehicle Finance obligations towards SIA Skanse City if they are overdue on liabilities under the agreements terms. The guarantees expire if the lease agreements are amended, renewed without prior written approval by AS mogo and is effective for the entire duration of the respective lease agreements. At the beginning of 2020 both lease agreements were amended and AS mogo provided the new guarantee to secure only obligations of AS Eleving Vehicle Finance.

i. AS “Citadele banka” (Latvian Bank)

On 8 July 2019, (1) AS “mogo” (Latvia), (2) Primero Finance OÜ (Estonia) and (3) UAB “mogo LT” (Lithuania) have concluded a credit line agreement with AS “Citadele banka” under which AS “Citadele banka” has made available facilities to (1) AS “mogo” (Latvia), (2) Primero Finance OÜ (Estonia) and (3) UAB “mogo LT” (Lithuania) for a total amount of up to EUR 10,000,000.00 for refinancing of existing indebtedness (the “**Citadele**

2019 Facility Agreement). The Citadele 2019 Facility Agreement provides for an interest rate of 8% and an original maturity date of 31 July 2021. The agreement has been amended in 2023, setting the facility amount to EUR 5,500,000.00 and extending the maturity to 30 October 2024 (the **“Amended Citadele 2019 Facility Agreement”**).

The Amended Citadele 2019 Facility Agreement is secured with receivables pledge agreements on certain receivables of AS “mogo”, Primero Finance OÜ and UAB “mogo LT” in favor of AS “Citadele banka”, in compliance with the Terms and Conditions.

j. AS “Citadele banka” hedge facility (Latvia)

On 14 April 2021 AS Eleving Stella has concluded foreign currency fluctuation hedge contract with AS “Citadele banka” according to which AS Eleving Stella can execute forwards, swaps and spots with bank approved risk limit of EUR 2,000,000. The limit is approved and valid until 30 October 2024.

k. Risk Management Services OÜ (Credit Derivative Transaction (Credit Default Swap))

On 31 December 2016, UAB “mogo LT” (Lithuania) as buyer and Risk Management Services OÜ (Estonia) as seller concluded an ISDA (International Swap and Derivatives Association, Inc) 2002 Master Agreement. This credit derivative transaction constitutes a credit default swap transaction that transfers the credit risk associated with a third party (loans issued to customers of UAB “mogo LT”) from the buyer to the seller for a fixed payment to the seller in exchange for protection related to the occurrence of credit events related to obligations (loans) of that third party. Upon the occurrence of a credit event, the buyer acquires the right to deliver deliverable obligations to the seller and to receive from the Seller the floating payment. This contract has no defined maturity term and covers the entire portfolio of UAB “mogo LT” (with exception of car loan product) and UAB "Renti" as at 30 September 2023.

l. Shareholders’ Agreement between AS Eleving Stella and AS Signet Bank

On 13 April 2021 AS Eleving Stella (Latvia) has signed a shareholders’ agreement with Signet bank AS (Latvia), designed to establish a successful business cooperation and to agree on the procedures applicable to the operation of Primero Holding AS (Latvia) and/or its subsidiaries and the business, on the decision-making on operational, financial and organizational issues and other issues relating to Primero Holding AS (Latvia) and/or its subsidiaries; as well as the regulation of mutual relations of the shareholders of Primero Holding AS (Latvia).

m. Subordinated bonds

On 29 December 2021 Eleving Group registered with the Central Securities Depository, Nasdaq CSD SE a bond facility through which it can raise up to EUR 25 million (XS2427362491). The notes are issued at par, have a maturity at 29 December 2031 and carry a coupon of 12% + 6 month Euribor per annum, paid monthly in arrears. On 7 March 2022 the bonds were listed on the First North unregulated bond market of NASDAQ OMX Baltic.

n. Mogo Auto Limited notes

In June 2022, Mogo Auto Limited (Kenya) entered into an agreement for short term note program with Dry Associates Limited, where the later was to manage the placement of funds up to KES 2 billion. The average rate of interest is 15.5% for notes issued in local currency (KES), while EUR and USD notes are issued at 8.3% and 9.3% respectively.

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

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

o. VERDANT CAPITAL HYBRID FUND I GMBH & CO. KG loan facility

On 21 June 2023 VERDANT CAPITAL HYBRID FUND I GMBH & CO. KG, a limited partnership incorporated under the laws of the Federal Republic of Germany with registration number HRA 52318 and registered office at Westendstraße 28, 60325 Frankfurt am Main, Federal Republic of Germany, has made available to Mogo Auto Limited (Kenya) an amount of USD 7,000,000, consisting of (a) a Senior Secured Tranche in an aggregate amount equal to USD 5,500,000 (the “**Senior Secured Tranche**”) and (b) an Unsecured Subordinated Tranche in an aggregate amount equal to USD 1,500,000 (the “**Unsecured Subordinated Tranche**”). (the “**Verdant Facility**”).

The Verdant Facility has a 48-month maturity and carries an interest rate of 9.5% + 3-Month Term SOFR per annum for the Senior Secured Tranche and 15.5% + 3-Month Term SOFR per annum for the Unsecured Subordinated Tranche.

The Senior Secured Tranche is secured with first ranking security over part of Mogo Auto Limited (Kenya) loan portfolio and a common account charge over Mogo Auto Limited (Kenya) bank accounts. The Issuer has also provided a guarantee in respect of Mogo Auto Limited (Kenya) liabilities under the Verdant Facility.

p. ACP CREDIT I SCA SICAV-RAIF loan facility

On 18 December 2023 ACP CREDIT I SCA SICAV-RAIF, a corporate partnership limited by shares (*société en commandite par actions*) qualifying as an investment company with variable capital - reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatif réservé*) duly incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 8, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B256596, has made available to MOGO IFN S.A. (Romania) a facility amounting to EUR 10,000,000 (the “**ACP Facility**”).

The ACP Facility has a 48-month maturity with an amortised loan repayment schedule and carries an interest rate of 11.6% in the first year, 10.8% in second year and 8% + 3m EURIBOR thereafter.

The ACP Facility is secured with a movable mortgage on loan receivables and separate bank account of MOGO IFN S.A. (Romania), a commercial pledge over AS Eleving Stella subordinated loan receivables from MOGO IFN S.A. (Romania) and a guarantee from AS Eleving Vehicle Finance.

q. AS “Industra Bank” credit agreement

On 20 September 2023 SIA “Spaceship” entered into a Credit agreement with AS “Industra Bank” according to which AS “Industra Bank” has granted SIA “Spaceship” a loan in the amount of 918 825,00 EUR for the purpose of refinancing the expenses for purchase of Tesla passenger cars (the “**Industra Loan Agreement**”). The base interest rate is 6-month EURIBOR rates, which on September 14 of 2023 was 4.040%

but not less than 0% and added interest rates – 6%. Loan repayment term is 17 September 2026.

The Industra Loan Agreement obligations are secured with a commercial pledge on the financed cars in favour of Industra Bank, financial pledge on SIA “Spaceship” bank account, and guarantee from AS Eleving Vehicle Finance.

r. *Loan agreement with Private Capital Trust (First Tranche)*

On 30 March 2023, Express Credit Cash Advance (Proprietary) Limited (Namibia) entered into a Loan agreement with Private Capital Trust under which Private Capital Trust (the Lender) has made available a loan to Express Credit Cash Advance (Proprietary) Limited in the total amount of NAD 40,000,000.00 (Forty Million Namibian Dollars) for financing the development of consumer loan business. The Agreement provides for an interest rate of 20% per annum and an original maturity date of twelve months.

The Agreement is secured with account pledge agreement on bank accounts of Express Credit Cash Advance (Proprietary) Limited and Cession in Security agreement in terms of which Express Credit Cash Advance (Proprietary) Limited cedes its rights, in security, in and to the loan book. Additionally, related parties have subordinated their claims to the claims of Private Capital Trust.

s. *Loan agreement with Private Capital Trust (Second Tranche)*

On 23 February 2024, Express Credit Cash Advance (Proprietary) Limited (Namibia) entered into a Loan agreement with Private Capital Trust under which Private Capital Trust (the Lender) has made available a loan to Express Credit Cash Advance (Proprietary) Limited in the total amount of NAD 25,000,000.00 (Twenty-Five Million Namibian Dollars) for financing the development of consumer loan business (so called Second Tranche). The Agreement provides for an interest rate of 18.75% per annum and an original maturity date of twelve months.

The Agreement is secured with an account pledge agreement on bank accounts of Express Credit Cash Advance (Proprietary) Limited and Cession in Security agreement in terms of which Express Credit Cash Advance (Proprietary) Limited cedes its rights, in security, in and to the loan book. Additionally, related parties have subordinated their claims to the claims of Private Capital Trust.

t. *Loan agreement with Private Capital Trust (Third Tranche)*

On 15 March 2024, Express Credit Cash Advance (Proprietary) Limited (Namibia) entered into a Loan agreement with Private Capital Trust under which Private Capital Trust (the Lender) has made available a loan to Express Credit Cash Advance (Proprietary) Limited for a total amount of NAD 25,000,000.00 (Twenty-Five Million Namibian Dollars) for financing the development of consumer loan business (so called Third Tranche). The Agreement provides for an interest rate of 18.75% per annum and an original maturity date of twelve months.

The Agreement is secured with an account pledge agreement on bank accounts of Express Credit Cash Advance (Proprietary) Limited and Cession in Security agreement in terms of which Express Credit Cash Advance (Proprietary) Limited cedes its rights, in security, in and to the loan book. Additionally, related parties have subordinated their claims to the claims of Private Capital Trust.

u. *Loan agreement with Hollard Life Namibia Limited*

On 26 April 2023 Express Credit Cash Advance (Proprietary) Limited (Namibia) entered into a Loan agreement with Hollard Life Namibia Limited (the Lender) under which Hollard Life Namibia Limited has made available a loan to Express Credit Cash

Advance (Proprietary) Limited for a total amount of NAD 30,000,000.00 (Thirty Million Namibian Dollars) in two tranches to grow its term lending loan book. The Agreement provides for an interest rate which is the percentage rate per annum which is aggregate of the Prime Rate and 4% and maturity date is 1 May 2026. The Agreement is not secured but provides certain covenants to be met.

v. Credit Facility Agreement with Norsad Finance Limited

On 20 December 2021, ExpressCredit Proprietary Limited (Botswana) entered into a Credit Facility Agreement with Norsad Finance Limited under which Norsad Finance Limited (the Lender) has made available a facility to Express Credit Cash Advance (Proprietary) Limited for a total amount of BWP 50,000,000.00 (Fifty Million Botswana Pula) for refinancing its Mintos borrowings and for lending to eligible entities which is to borrow money in normal course of business. The Agreement provides for an interest rate which is the percentage rate per annum which is equal to the Base Interest Rate (the aggregate of the margin (850 basis points) and the prime rate). Repayment is to be made according to repayment schedule attached to the Agreement.

The Agreement is secured with guarantee from the direct parent entity YesCash Group Limited (after name change – Eleving Consumer Finance Mauritius Limited).

w. ExpressCredit Proprietary Limited Medium Term Note programme

On 1 May 2019, ExpressCredit Proprietary Limited (Botswana) entered into Engagement letter with AFB In2Africa (Pty) Limited under which ExpressCredit Proprietary Limited (Botswana) appointed AFB In2Africa (Pty) Limited as an advisor and arranger for the establishment of a medium term note programme in the Republic of Botswana and for the issuance of notes under such programme in the amount of BWP 100,000,000, unless such amount is increased by the Issuer.

The terms of the notes under such programme contain a cross-default provision relating to indebtedness for money borrowed having an aggregate outstanding amount which equals or exceeds the greater of BWP 15,000,000 from time to time, or any guarantee of or indemnity in respect of any such indebtedness.

x. Union Bank JSC (Albania)

On 18 December 2023 Union Bank JSC (Albania) and ECFA Shpk (formerly Kredo Finance Shpk) (Albania) concluded a Loan Agreement (Installment Loan), under which the bank made funds available to ECFA Shpk amounting to 150'000'000 Albanian Leke. In order to secure the loan obligations, a security was placed over ECFA Shpk loan portfolio for the minimum value of 195'000'000.00 ALL or 130% of the remaining value of the loan according to a specific list of loans attached to the Security Agreement. The respective security was registered in the Albanian Pledge Registry according to the provisions stipulated in the Security Agreement. In addition to the loan portfolio provided by ECFA Shpk to the bank as a security, ECFA Shpk majority shareholder AS Eleving Consumer Finance Holding also provided its corporate guarantee to ensure the rights and obligations of Kredo arising out of the Loan Agreement.

y. Tirana Bank JSC (Albania)

On 18 December 2023 Tirana Bank JSC (Albania) and ECFA Shpk (formerly Kredo Finance Shpk) (Albania) and Eleving Group as Guarantor concluded a Loan Agreement (Overdraft Agreement), under which the bank made funds available to ECFA Shpk amounting to 120'000'000 Albanian Leke.

In order to secure the loan obligations, a security was placed over ECFA Shpk's loan portfolio (loans receivables) for the minimum value of 156'000'000.00 ALL or 130% of the loan value. The respective security was registered in the Albanian Pledge Registry according to the provisions stipulated in the Security Agreement. In addition to the loan

portfolio (loans receivables) provided by ECFA Shpk to the bank as a security, Eleving Group also became a guarantor of rights and obligations of ECFA Shpk arising out of the concluded Guarantee Agreement and Loan Agreement.

z. FI Bank JSC (Albania)

On 21 February 2024 FI Bank JSC (Albania) and financial company ECFA Shpk (formerly Kredo Finance Shpk) (Albania) concluded a Loan Agreement, under which the bank made funds available to ECFA Shpk amounting to 100'000'000 Albanian Lek. In order to secure the loan obligations, a security was placed over ECFA Shpk's loan portfolio (loans receivables) for the minimum value of 130'000'000.00 ALL or 130% of the loan value. The respective security was registered in the Albanian Pledge Registry according to the provisions stipulated in the Security Agreement.

aa. MFX Solutions

On 29 December 2023, Eleving Group has provided a guarantee in favour of MFX Solutions whereby Eleving Group absolutely, unconditionally and irrevocably guarantees on all transactions of Eleving Group subsidiary AS Eleving Solis makes under ISDA Master Agreement entered into between AS Eleving Solis and MFX Solutions.

bb. American Bank of Investments JSC (Albania)

On 12 January 2024 American Bank of Investments JSC (Albania) and financial company ECFA sh.p.k (formerly Kredo Finance sh.p.k (Albania)) concluded an unsecured loan agreement under which the ABI Bank made funds available amounting at 300,000,000 ALL. This loan was used as a bridge for ECFA sh.p.k. private offering of senior unsecured bonds dated 15 April 2024. The senior unsecured bonds of ECFA sh.p.k. amount to 300,000,000 ALL, have maturity of 36 months and interest rate of 13.5% per annum. The interest payment frequency is every 6 months; payment structure - bullet payment at maturity. The purpose of issuance of the bonds was to ensure repayment of the loan granted to ECFA shpk by the American Investment Bank JSC, whose funds were used by the ECFA shpk in relation to exercising its lending activity. American Investment Bank JSC purchased 100% of the bonds and is the custodian bank for these bonds issued by the ECFA sh.p.k.

9. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, in making financial or operational decisions, as defined in IAS 24 "*Related Party Disclosure*". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely its legal form. We are and have been party to various agreements and other arrangements with certain related parties and interested parties, the most significant of which are described below. To the best of our knowledge, all agreements with related parties have been entered into on arm's length terms and on market terms and conditions.

a. Loans with Related Parties

The list below summarizes Eleving Group (Luxembourg) intra-group loans as at 30 June 2024.

1. Eleving Group (Luxembourg) as lender has entered into several credit line agreements with the following Group companies:

- a. Lithuania - UAB "mogo LT" as borrower made on 27 April 2015 - outstanding loan amount EUR (including accrued interest) 13,939,666.98 on 30 June 2024;
- b. Uzbekistan – OOO Mogo Lend as borrower made on 5 September 2018 – outstanding loan amount EUR (including accrued interest) 11,003,931.66 on 30 June 2024;
- c. Latvia – Mogo Balkans and Central Asia AS as borrower made on 27 July 2018 – outstanding loan amount EUR (including accrued interest) 600,401.00 on 30 June 2024;
- d. Latvia – Mogo Balkans and Central Asia AS as borrower made on 1 April 2020 – outstanding loan amount EUR (including accrued interest) 2,616,930.17 on 30 June 2024;
- e. Lithuania – Mogo Africa UAB as borrower made on 15 February 2019 (Operational) – outstanding loan amount EUR (including accrued interest) 3,919,963.61 on 30 June 2024;
- f. Lithuania – Mogo Africa UAB as borrower made on 15 February 2019 (Fiduciary) – outstanding loan amount EUR (including accrued interest) 20,112,715.25 on 30 June 2024;
- g. Kenya – Mogo Auto Limited as borrower made on 15 February 2019 – outstanding loan amount EUR (including accrued interest) 3,348,761.50 on 30 June 2024;
- h. Kenya – Mogo Auto Limited as borrower made on 02 January 2024 – outstanding loan amount KES (including accrued interest) 2,646,935,829.94 on 30 June 2024;
- i. Kenya – Mogo Kenya LTD as borrower made on 29 March 2019 – outstanding loan amount EUR (including accrued interest) 2,807,123.75 on 30 June 2024;
- j. Latvia – AS Eleveling Consumer Finance as borrower made on 9 June 2020 – outstanding loan amount EUR (including accrued interest) 500,063.44 on 30 June 2024;
- k. Latvia – AS Eleveling Vehicle Finance as borrower made on 1 January 2022 – outstanding amount EUR (including accrued interest) 3,111,945.43 on 30 June 2024;
- l. Estonia – Primero Finance OU as borrower made on 29 December 2022 – outstanding amount EUR (including accrued interest) 19,740,625.78 on 30 June 2024;

- m. Latvia – SIA Spaceship as borrower made on 13 January 2023 (Tranche A) – outstanding amount EUR (including accrued interest) 203,388.89 on 30 June 2024;
- n. Latvia – SIA Spaceship as borrower made on 13 January 2023 (Tranche B) – outstanding amount EUR (including accrued interest) 1,932,194.44 on 30 June 2024;
- o. Mauritius – YesCash Group Limited as borrower made on 19 July 2023 – outstanding amount EUR (including accrued interest) 11,199,708.36 on 30 June 2024;
- p. Latvia – SIA ECFG as borrower made on 20 July 2023 – outstanding amount EUR (including accrued interest) 13,165,463.39 on 30 June 2024;
- q. Armenia – Eleveling AM LLC as borrower made on 27 November 2018 – outstanding amount EUR (including accrued interest) 144,811.00 on 30 June 2024;
- r. Latvia – AS "mogo" as borrower made on 1 November 2021 – outstanding amount EUR (including accrued interest) 2,483,853.33 on 30 June 2024;
- s. Estonia – Primero Finance OU as borrower made on 27 April 2015 – outstanding amount EUR (including accrued interest) 25,272,968.58 on 30 June 2024;
- t. Botswana – Express Credit (Proprietary) Limited as borrower on 23 August 2023 – outstanding amount EUR (including accrued interest) 370,157.57 on 30 June 2024;
- u. Latvia – AS Eleveling Vehicle Finance as debtor as at 10 August 2022 – outstanding amount EUR (including accrued interest) 303,250.00 30 June 2024;
- v. Latvia – AS Eleveling Vehicle Finance as debtor as at 23 October 2023 – outstanding amount EUR (including accrued interest) 5,652,741.46 on 30 June 2024;
- w. Estonia – Primero Finance OU as debtor as at 12 December 2023 – outstanding amount EUR (including accrued interest) 33,209,210.93 on 30 June 2024;
- x. Latvia – SIA Spaceship as borrower on 8 March 2022 – outstanding amount EUR (including accrued interest) 434,252.48 on 30 June 2024;

- y. Armenia – Mogo UCO LLC as borrower made on 22 November 2018 – outstanding amount EUR (including accrued interest) 363,600.00 on 30 June 2024;
2. Eleving Group (Luxembourg), as borrower, had previously entered into several credit line agreements with the Group companies. However, as of 30 June 2024, there are no outstanding borrowings, and the total outstanding loan amount (including accrued interest) is EUR 0.

10. Legal Proceedings

No member of the Group, i.e., the Issuer and its direct and indirect subsidiaries, has been a party to any governmental, legal or arbitration proceeding (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or Group's financial position or profitability.

11. Recent Events and Trends

a. *General*

Our business has grown substantially in recent years, and we continue to monitor business development opportunities in new countries and within existing markets. As we have made use of organic growth and strategic acquisitions, we aim further to leverage our existing expertise to expand into countries which we believe have an attractive customer base and growth potential.

During the first quarter of 2021, the Group has revised its corporate strategy together with the brand update from Mogo Finance to Eleving Group, to better reflect its updated mission statement and its diverse product and brand portfolio. The Group will keep offering products with the 'Mogo' brand name across its vehicle finance subsidiaries.

In Addition to the trends described in this Section "*Recent Events and Trends*", in Section VIII. 4. "*Products*" and Section VIII. 6. "*Developments*", there have been the following significant recent trends in production, sales and inventory and cost and selling prices since 30 June 2024.

There has been increasing demand for vehicle finance products across the majority of the markets on which the Group operates. This trend can be observed over last 12 months and can be explained by the following factors: (i) credit institutions have become more conservative in their lending strategies over last 24 months; (ii) the Group's typical competitor in this business is a local market player with limited access to debt and a weaker operation; (iii) changing interest rates, more difficult access to financing, growing inflation, and rising cost of financing led many of the Group's smaller competitors to experience both financial and liquidity difficulties.

With respect to the administrative costs and the costs of services, in the majority of the markets where the Group operates, inflation has been at double digits which affected prices in the broader sense (rental prices, services i.e. postal, databases, internet). Even though the Group has been addressing such increases through negotiations, the overall costs have still increased. Additionally, rising inflation resulted in higher salaries, however the Group, even before the inflation crisis, was revising the salaries on a yearly basis in order to remain an attractive employee. On average, over last 2 years it managed to increase salaries at 3-5% yearly across the Group.

Finally, the price of second hand has been stabilized, and there no significant deviation is anticipated in the future, in sharp contrast with the post-covid period, when second hand car priced moved up by 10%-30%. The Group does not anticipate price decreases in short- and mid-term which could have a negative effect to its business.

b. Sale of Subsidiaries

Eleving Group has always pursued the most efficient capital allocation and business risk diversification; therefore, the Group has historically successfully entered and exited markets either through sales process, or run-down/liquidation: Poland, Albania (vehicle finance business), Bulgaria, Bosnia and Herzegovina, Kosovo, North Macedonia (vehicle finance business), Kazakhstan. Given the external factors and risks arising from the war in Ukraine, since 2022, the Group has discontinued business operations in Ukraine and have fully exited Belarus in 2024.

The Group has shown a disciplined approach to market transitions and the company's ability to enter and exit the markets efficiently. This approves the timely decisions made by the company and reflects Eleving Group's understanding of business dynamics and its ability to adapt to changing circumstances. Such calculated moves underscore the Group's confidence in its risk management strategies, operational efficiency, and capital allocation expertise. This deliberate pattern reaffirms Eleving Group's agility and resilience in navigating diverse business environments, ensuring sustained growth and profitability.

c. War in Ukraine

Starting with the first day of the full-scale invasion on 24 February 2022, the Eleving Group has taken a strong stance condemning Russia's aggression and crimes in Ukraine.

Upon receiving the first news of widespread military strikes in Ukraine, the company activated all internal procedures in a timely manner to ensure the safety of its employees, organising their evacuation from hot spots if necessary. Shortly after the full-scale invasion, the decision was taken to operationally cease business activities in the war-affected country and to look at ways to rapidly reduce portfolio exposure in Belarus to insulate Eleving Group as much as possible from the business and reputational risks that could arise from doing business in an aggressor state. Currently, the active business operations in Ukraine have been discontinued. In January 2024, the Group received all the necessary approvals from Belarus government authorities with respect to the Mogo Belarus sale. The sale was finished in second quarter of 2024.

d. Integration of SIA ECFG

In July 2023, the Group started the process of integrating SIA ECFG, a consumer finance provider operating in the Southern Africa region with the brand ExpressCredit, into its direct subsidiary AS Eleving Finance. As a result of the transaction, the Group has taken over the company's assets, subsidiaries, and client portfolio and increased the Group's equity.

With the acquisition of SIA ECFG, Botswana, Namibia, Lesotho, and Zambia are added to the Group's portfolio in Africa and the Group has taken over a net portfolio of EUR 26 million split across the aforementioned four markets.

ExpressCredit mainly provides long-term consumer loans to government employees in the African markets. In the respective consumer finance segment, ExpressCredit is among the industry leaders. The specialty of the business is automated monthly payments, which are either deducted from the customer's salary or credit card. Due to that, repayment rates are consistently high, and the debt collection process is

straightforward. In all markets, the business model is primarily based on an offline model with more than 80 branches across four markets.

The Group intends to develop the business further, offer already established consumer finance services as well as launch new products and utilize operational and financing synergies, thus improving the overall efficiency of the business.

e. Recent changes to the Group Structure

In summer 2023 the Group acquired ExpressCredit consumer finance business in four sub-Saharan region countries (SIA ECFG). As a result, Botswana, Namibia, Zambia, and Lesotho joined the Group's portfolio.

In addition, on 8 November 2023, following a merger between the Group companies, AS Eleving Luna (Latvia) underwent a division process in accordance with the laws of Republic of Latvia. As a result of the merger AS Eleving Stella and AS Eleving Vehicle Finance as merging companies each acquired part of the assets of AS Eleving Luna.

On 1 December 2023, in the context of an internal restructuring, UAB Eleving Stella purchased 100% of the share capital of Mogo LLC from AS Eleving Stella. As a result, UAB Eleving Stella is the sole shareholder of Mogo LLC as of 8 February 2024.

On 11 January 2024, in the context of a divestment plan, the Group sold all the shares in OOO "Mogo Credit" (*Belarus*). As a result, OOO "Mogo Credit" (*Belarus*) no longer belongs to the Group as of 11 January 2024. For an overview of the current structure of the Group, please refer to Section XVII "*Information about the Issuer and the Group*" "Issuer and Subsidiaries" above, page 173.

XVIII. MANAGEMENT

Below we describe the management of the Issuer.

Until 6 June 2024, the Issuer was managed by a single-tier board structure whose members have been appointed as category A directors and category B directors by the general meeting of the shareholders of the Issuer.

Immediately prior to the Offering, the Issuer has chosen to structure its corporate body in a two-tier system composed of a Management Board and a Supervisory Board.

In accordance with the Issuer's Articles of Association and the relevant provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time (the "**Luxembourg Company Law**") governing public limited liability companies (*sociétés anonymes*), the management of the Issuer is divided between the management board (*directoire*) (the "**Management Board**") under the supervision and control of the supervisory board (*conseil de surveillance*) (the "**Supervisory Board**") and the general meeting of the shareholders of the Issuer (*assemblée générale des actionnaires*).

The Management Board of the Issuer is supported by the management team of Eleving, which is responsible for providing high-level advice on decisions and business matters ranging from strategic planning, policy formulation, investment planning and risk assessment.

A brief description (which is not intended to be exhaustive) of the composition, roles and functioning of each of these bodies is set forth below.

1. Management Board

According to the Articles of Association, the Issuer shall be managed by a Management Board whose members shall be appointed as category A Management Board members and category B Management Board members by the Supervisory Board of the Issuer. In accordance with the Luxembourg Company Law, each category A member of the Management Board and category B member of the Management Board may be re-appointed for successive terms and also be removed at any time with or without cause and/or replaced, by a resolution adopted by the Supervisory Board. A member of the Management Board cannot be at the same time a member of the Supervisory Board.

The Management Board is responsible for managing the Issuer. For this purpose, the Management Board is vested with the broadest powers to act in the name of the Issuer and to take any actions, or to cause to take any actions, necessary or useful, to fulfill the Issuer's corporate purpose, with the exception of the powers expressly reserved by the Luxembourg Company Law or by the Issuer's Articles of Association to the Supervisory Board or the shareholders.

In the event of one or more vacancy in the office of members of the Management Board, the remaining members of the Management Board may appoint one or more members of the Management Board, as the case may be, to fill any such vacancy until the following meeting of the Supervisory Board.

The Management Board meets as often as the business and interests of the Issuer require. Meetings of the Management Board shall be held principally in Luxembourg, unless meetings need to be held abroad for exceptional reasons. Any member of the Management Board may participate in a meeting of the Management Board by conference call, video conference or by similar means of communication in accordance with the Articles of Association. Participation in a meeting by these means is equivalent

to participation in person at such meeting and the meeting is deemed to be held at the registered office of the Issuer.

A meeting of the Management Board may validly deliberate and make decisions for all purposes if at the commencement of the meeting at least one category A and at least one category B member of the Management Board are present or represented. Decisions of the Management Board are validly taken by a resolution approved at a duly constituted meeting of the Management Board by the affirmative vote of the majority of the members of the Management Board present or represented including the affirmative vote of at least one category A and at least one category B member of the Management Board. If the foregoing quorum is not present in the meeting, a second meeting may be convened at which the Management Board may validly deliberate and make decisions for all purposes if at the commencement of such second meeting at least one category A and at least one category B member of the Management Board are present or represented. If the foregoing quorum is not present in the second meeting, the decision on the matter should be resolved by the general meeting of the shareholders of the Issuer. Decisions are made by the majority of the votes of the members present or represented. If a member of the Management Board abstains from voting or does not participate to a vote in respect of a proposed resolution, this abstention or non-participation is not taken into account. A resolution of the Management Board may also be passed in writing. Such resolution shall consist of one or more documents containing the resolutions, signed by each member of the Management Board, manually or electronically by means of an electronic signature. The date of such resolution shall be the date of the last signature.

The Management Board shall request the prior consent of the Supervisory Board for Reserved Matters. Where a transaction requires the prior consent of the Supervisory Board and such prior consent is denied, the Management Board may decide to submit the matter to the general meeting of the shareholders of the Issuer.

The Management Board may decide to create committees, the composition and duties of which it shall determine and which shall exercise their activities within the limits of the powers conferred or authorized by the resolution appointing them.

The Management Board may appoint one or more persons who may be a shareholder or not, or who may be a member of the Management Board or not, to the exclusion of any member of the Supervisory Board, who shall have full authority to act on behalf of the Issuer in all matters pertaining to the daily management and affairs of the Issuer or give special powers for determined matters to one or more proxy holders.

The Issuer shall be bound against third parties by the joint signatures of a category A and a category B member of the Management Board.

The Issuer is currently managed by a Management Board composed of two category A members of the Management Board and two category B members of the Management Board as set out below. The members of the Management Board may be removed before the expiration of the term. Based on the Articles of Association of the Issuer, members of the Management Board of each category are vested with the same individual powers and duties. The two members of the Management Board of category B are Luxembourg residents, whereas the two members of the Management Board of category A are not Luxembourg residents and at the same time hold, respectively, the positions of CEO and CFO within the Group. The Management Board has not appointed a chairman among its members so far.

Name	Year of Birth	Term	Position
Modestas Sudnius	1986	From 2024 until 2029	Category A member of the Management Board
Māris Kreics	1985	From 2024 until 2029	Category A member of the Management Board
Delphine Glessinger	1981	From 2024 until 2029	Category B member of the Management Board
Sébastien Jean-Jacques François	1980	From 2024 until 2029	Category B member of the Management Board

Modestas Sudnius, with business address at Skanstes street 52, LV-1013 Riga, Latvia, was appointed as CEO of the Group in January 2019 and as director of Eleving Group in March 2019. A graduate of Stockholm School of Economics, Modestas Sudnius was the country manager in Lithuania, then holding Regional CEO position in Eleving Group, covering Baltic countries, Georgia and Armenia, then being Co-CEO of the Group together with Edgars Egle. Modestas has several years' experience in financial assurance and project management in companies such as Ernst & Young and EPS LT. Modestas Sudnius holds direct interest in the Issuer equal to 2.99% of the share capital of the Issuer.

Maris Kreics, with business address at Skanstes street 52, LV-1013 Riga, Latvia, was appointed as director of Eleving Group in 2018 and as CFO of the Group in 2015. Mr. Kreics has spent previous 2 years in a corporate finance role working for the biggest telecommunications service company in Latvia – Tet (previously Lattelecom). Before that Mr. Kreics has spent 7 years in PwC, whereas 2 years were spent in New York working exclusively on one of the largest (top 5 by market capitalization) S&P 500 Tech company's lead audit team. Mr. Kreics is a CFA charterholder and a member of the global body for professional accountants ACCA. Mr. Kreics has a bachelor's and master's degree in finance from the BA school of Business and Finance in Riga. Maris Kreics holds indirect interest in the Issuer equal to 1.49% of the share capital of the Issuer.

Delphine Glessinger, with business address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, was appointed as director of Eleving Group in 2023. Ms. Glessinger currently is also Senior Legal Administrator in Centralis S.A. previously she has held legal trust officer position in Citco Corporate and Trust for more than 8 years. Ms. Glessinger holds Université de Haute-Alsace Mulhouse-Colmar degree in law, University of Lincoln Bachelor degree of administrative and Legal studies and Université Nancy 2 Bachelor's degree in International business.

Sébastien Jean-Jacques François, with business address at 8-10 Avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg, was appointed as director of Eleving Group in 2022. Sébastien Jean-Jacques Joseph Ghislain François holds a degree in Business Administration and a post-graduate degree in Financial Economics. Sébastien is an expert in governance, regulatory matters and accounting, with +15 years of work experience in the Financial Services sector in Luxembourg. Sébastien

acts as non-executive Director on the board of international companies active in diverse businesses such as energy, manufacturing, private equity and financing and since August 2013 is the managing director of Centralis S.A. (Luxembourg).

Modestas Sudnius and Maris Kreics have no principal activities outside of Eleving Group. The principal outside activities of Delphine Glessinger and Sebastien Francois comprise their activity as employees of Centralis SA in Luxembourg. Centralis SA is a corporate services provider, which, among others, offers its clients the service of having its employees act as directors of companies. In such capacity, Delphine Glessinger and Sebastien Francois are also directors of other companies in Luxembourg. The members of the Management Board of the Issuer confirm that, otherwise, there is no conflict of interest between their duties as members of the Management Board of the Issuer and their principal and/or other outside activities, other than any such activities which are explicitly disclosed above.

There are no family relationships among the members of the Management Board of the Issuer. No current member of the Issuer's Management Board has been convicted in relation to any fraudulent offenses, nor have they been officially publicly incriminated, and/or sanctioned by statutory or regulatory authorities (including designated professional bodies) within the past five years. It is also confirmed that Modestas Sudnius and Maris Kreics have had no involvement to any bankruptcies, receiverships, liquidations or companies put into administration for at least the previous five years.

No member of the Management Board (including the members of the Audit Committee and the Nomination and Remuneration Committee) have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office.

With respect to any restrictions agreed by members of the Management Board of Eleving Group on the disposal within a certain period of time of their holdings in the Issuer's securities, please see Section XX (*Terms and Conditions of the Offering*), subsection 10 (*Agreements related to the Offering*), *Lock-Up Agreement*, if applicable.

2. Supervisory Board

The Issuer's Management Board is supervised by a Supervisory Board. The Supervisory Board carries out the permanent supervision of the Management Board, without being authorized to interfere with such management.

The members of the Supervisory Board are appointed by the general shareholders' meeting by way of simple majority vote of the shares present or represented. The general shareholders' meeting also determines the number of members of the Supervisory Board, the Supervisory Board members' remuneration, and the terms of their office (which may not exceed five years). Members of the Supervisory Board may be re-appointed for successive terms. Any member of the Supervisory Board may be removed from office at any time, with or without cause, and / or replaced by the general meeting of shareholders at a simple majority vote of the shares present or represented. No member of the Supervisory Board can be at the same time a member of the Management Board.

According to the Articles of Association, the Supervisory Board shall be composed of at least three members. The Supervisory Board shall elect among its members a chairperson and it may also appoint from among its members one or more vice chairs and elect a secretary who does not need to be a member of the Supervisory Board.

In the event of one or more vacancy(ies) in the office of a member of the Supervisory Board, the remaining members of the Supervisory Board may appoint one or more

members of the Supervisory Board, as the case may be, to fill any such vacancy until the following general meeting of the shareholders of the Issuer.

The Supervisory Board may have one or more observers without voting right.

The Supervisory Board has an unlimited right to inspect all the transactions of the Issuer and may inspect the books, accounts, correspondence, minutes and in general all the records of the Issuer. It shall receive at least every three months a written report of the Management Board in which it describes the status of the Issuer's business activities and the provisional development. Any information on events which are likely to have a significant effect on the Issuer's business must be passed on promptly to the Supervisory Board by the Management Board. The Supervisory Board may undertake any investigations necessary for the performance of its duties. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications which it may deem useful in order to carry out its duties. The Supervisory Board may further decide to create committees, the composition and duties of which is determined by it. Those committees shall exercise their activities under its responsibility.

Further certain measures and transactions to be carried on by the Management Board are subject to the prior consent of the Supervisory Board, in accordance with the Articles of Association (the "**Reserved Matters**").

The Supervisory Board meets as often as the business and interests of the Issuer require but at least four times per year. Meetings of the Supervisory Board shall be held in Luxembourg, or any other place even abroad as specified in the relevant convening notice. Any member of the Supervisory Board may participate in a meeting of the Supervisory Board by conference call, video conference or by similar means of communication in accordance with the Articles of Association. If a resolution is taken by way of conference call, the resolution shall be considered to have been taken in the Grand Duchy of Luxembourg.

The Supervisory Board may validly deliberate and make decisions only if at least one half of its members is present or represented. If the foregoing quorum is not present in the meeting, a second meeting may be convened at which there shall be no quorum requirement. Decisions are made by the majority of the votes of the members present or represented. If a member of the Supervisory Board abstains from voting or does not participate to a vote in respect of a proposed resolution, this abstention or non-participation is taken into account. A resolution of the Supervisory Board may also be passed in writing. Such resolution shall consist of one or more documents containing the resolutions, signed by each member of the Supervisory Board, manually or electronically by means of an electronic signature. The date of such resolution shall be the date of the last signature.

The Supervisory Board currently comprises three (3) members as set out below.

Name	Year of Birth	Term	Position
Mārcis Grīnis.....	1984	From 2024 until 2029	Chairman of the Supervisory Board
Lev Dolgatšjov.....	1975	From 2024 until 2029	Member of the Supervisory Board
Derek Bryce Urban.....	1997	From 2024 until 2029	Member of the Supervisory Board

Mārcis Grīnis, with business address at Skanstes street 52, LV-1013 Riga, Latvia, was appointed as the Chairman of the Supervisory Board of the Group in 6 June 2024. He holds a Bachelor's degree in Economics and Business, a post-graduate degree in Management, and a Master's degree in Finance and Strategic Management. Graduating from the esteemed Stockholm School of Economics in Riga and Copenhagen Business School, Mārcis has showcased exceptional expertise in various domains including data intelligence, Business Strategy, Operations Scaling, Financial & Risk Management, and Corporate Finance. With a track record of founding and developing several start-ups and businesses within the MarTech, IT, and FinTech sectors, Mārcis stands as one of the co-founders and shareholders of the Issuer. Due to his significant involvement with the company, he is considered a dependent supervisory board member. Mārcis Grīnis holds indirect interest in the Issuer equal to 2.49% of the share capital of the Issuer.

Lev Dolgatšjov, with business address at Pärnaõie tee 7 Pirita, linnaosa Tallinn 11914, Harju maakond, Estonia was appointed as a Member of the Supervisory Board of the Group on 6 June 2024. Lev is an investment community and start-up ecosystem activist. Outside his new role as Member of the Supervisory Board, he is a managing partner of an Estonian investment company, Meemaeger Capital OÜ, and a founding partner of the Estonian company Syda Ventures OÜ. Previously, he has served as a board member and president of the Estonian Business Angels Network (EstBAN) and as a member of the board of directors of the European Business Angels Network (EBAN). In addition, he has advised and mentored numerous start-up projects and businesses.

Derek Bryce Urban, with business address at 2116 45TH Avenue, Flat 3, Long Island City, NY 11101-4704, USA was appointed as a Member of the Supervisory Board of the Group on 6 June 2024. Derek is an investor from the United States who previously spent five years at the company Left Lane Capital, a USD 2.0 billion growth equity fund. At Left Lane Capital, he led over a dozen investments representing over USD 200.0 million into companies worldwide, including Moove, Freetrade, Jackpocket, Salad, and others across the fintech, software, and consumer internet categories. Before working with Left Lane Capital, he was the CFO of a trading technology software business. Today, he is the founder of a new private investment firm focusing on activism in emerging markets. He currently serves on the board of Moove, a global mobility fintech, and Salad, a distributed AI computing company.

The principal outside activity of Mārcis Grīnis is his role as COO & Co-Founder of the Latvian company Roibox. In past from September 2012 until April 2013, he acted as Chairman of the board for SIA POScredit.

The principal outside activity of Lev Dolgatšjov is his role as Managing Partner at Meemaeger Capital, his role as Founding Partner of Syda Ventures, his role as member of the Board of Advisors of Lexi.Market, and his role as member of the Supervisory Board of SKYCROP Technologies. In past, from January 1998 until June 2008, he acted as Managing Director of Arvotek OU, an Estonian company, from May 2021 until June 2023, he acted as Board Member of the European Business Angels Network (EBAN), a pan-European representative body, from March 2020 until June 2023, he acted as Board Member and President of the Estonian Business Angels Network, a representation established in Estonia, from October 2021 until June 2023, he acted as Member of the Advisory Board of Latitute59, an Estonian company.

The principal outside activity of Derek Bryce Urban is his role as founder of The Imperium Project, while also acting as board member for companies Salad and Moove. In past, from 2014 until 2018, he acted as CFO of Coinigy Inc, a US-based company.

There are no family relationships among the members of the Supervisory Board of the Issuer. No current member of the Issuer's Supervisory Board has been convicted in relation to any fraudulent offenses, nor have they been officially publicly incriminated, and/or sanctioned by statutory or regulatory authorities (including designated professional bodies) within the past five years. It is also confirmed that the members of the Supervisory Board of Elevation Group have had no involvement to any bankruptcies, receiverships, liquidations or companies put into administration for at least the previous five years.

No member of the Supervisory Board have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office.

The members of the Supervisory Board of Elevation Group confirm that there is no conflict of interest between their duties as members of the Supervisory Board of the Issuer and their principal and/or other outside activities, other than any such activities which are explicitly disclosed above.

With respect to any restrictions agreed by members of the Supervisory Board of Elevation Group on the disposal within a certain period of time of their holdings in the Issuer's securities, please see Section XX (*Terms and Conditions of the Offering*), subsection 10 (*Agreements related to the Offering*), *Lock-Up Agreement*, if applicable.

3. General Shareholder's Meeting

The shareholders' general meeting is vested with the widest powers to perform all acts conferred to it by the Luxembourg Company Law including (i) appointing and removing the member of the Supervisory Board and the statutory or independent auditor of the Issuer as well as setting their remuneration, (ii) approving the annual financial statements of the Issuer, (iii) amending the Articles of Association of the Issuer and (iv) deciding on the dissolution and liquidation of the Issuer.

Each Share entitles the holder thereof to attend all general meetings of the shareholders, either in person or by proxy, to address the general meeting of the shareholders and to exercise voting rights. Each Share entitles the holder to one vote at a general meeting of the shareholders. There is no minimum shareholding required to be able to attend or vote at a general meeting of the shareholders.

As long as the Shares are admitted to trading on a regulated market within a European Union Member State, general meetings of the shareholders will be convened in accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of the shareholders of listed

companies and implementing Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, as amended (the “**Luxembourg Shareholder Rights Law**”) and the Articles of Association.

To vote at meetings, shareholders entitled to vote must duly evidence their shareholdings as at the record date determined in accordance with the Luxembourg Shareholder Rights Law and the Articles of Association. A shareholder may act at any general meeting of the shareholders by appointing another person (who need not be a shareholder) as his/her/its proxy in accordance with the provisions of the Luxembourg Shareholder Rights Law.

In accordance with Luxembourg Shareholder Rights Law, the convening notice is to be published at least thirty (30) days before the day of the meeting in the RESA (*Recueil Electronique des Sociétés et Associations*), and a Luxembourg newspaper and in media which may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which is accessible rapidly and on a non-discriminatory basis. If a general meeting of the shareholders is adjourned for lack of quorum, provided that the convening requirements of the Luxembourg Shareholder Rights Law have been complied with and no new item has been added to the agenda, the 30-day period is reduced to a 17-day period prior to the date of the reconvened meeting.

The convening notice shall also be made available, free of costs, within the convening notice periods referred to in above to the registered Shareholders, the members of the Management Board, the members of the Supervisory Board and the approved statutory auditor(s) (*réviseur(s) d'entreprises agréé(s)*) of the Issuer.

These convening notices must, inter alia, contain the precise date and location of the general meeting of the shareholders and the proposed agenda. It must also set out the conditions for attendance and representation at the meeting.

Luxembourg law distinguishes between ordinary resolutions and extraordinary resolutions. Extraordinary resolutions relate to proposed amendments to the Articles of Association and certain other limited matters. All other resolutions are generally ordinary resolutions.

Extraordinary resolutions are generally required for any of the following matters, among others: (a) an increase or decrease of the authorized or issued capital, (b) a limitation or exclusion of pre-emptive rights, (c) approval of a statutory merger or demerger (*scission*) or certain other restructurings, (d) dissolution of the Issuer and (e) an amendment to the Articles of Association.

Extraordinary General Meeting of Shareholders

For any resolutions on the amendment of the Articles of Association to be considered at a general meeting of the shareholders, the quorum must generally be at least one-half of the Issuer's issued share capital to which voting rights are attached under the Issuer's Articles of Association or Luxembourg law, unless otherwise provided by the Issuer's Articles of Association or mandatorily required by law. If such quorum is not present, a second general meeting of the shareholders may be convened at a later date with no quorum according to the appropriate notification procedures.

Extraordinary resolutions must generally be adopted at a general meeting of the shareholders (except as otherwise provided by mandatory law or the Issuer's Articles of Association) by a two-thirds majority of the votes validly cast on such resolutions.

Ordinary General Meeting of Shareholders

No quorum is required for any ordinary resolutions to be considered at a general meeting of the shareholders. Ordinary resolutions are adopted by a simple majority of

votes validly cast on such resolution by shareholders present or represented, subject in certain circumstances to a different majority as required under the Issuer's Articles of Association or Luxembourg law.

In calculating the majority with respect to any resolution of a general meeting of shareholders, votes relating to Shares in which a Shareholder abstains from voting, casts a blank or null vote or does not participate are not taken into account.

General Meeting of Shareholders

The Issuer's annual general meeting of the shareholders shall be held within six (6) months of the end of the preceding financial year.

Other general meetings of the shareholders may be called as often as the interest of the Issuer demands and be held at such place and time as may be specified in the respective convening notice of the meeting.

If the entire issued share capital of the Issuer is represented at a general meeting of the shareholders, no convening notice is required for the meeting to be held and the proceedings at such general meeting of the shareholders will be deemed valid.

The Management Board, the Supervisory Board as well as the approved statutory auditor of the Company may convene a general meeting of the shareholders of the Issuer. They shall be obliged to convene it so that it is held within a period of one month, if shareholders representing at least ten percent (10%) of the capital of the Issuer require this in writing, with an indication of the agenda. In accordance with the Luxembourg Shareholder Rights Law, shareholders holding individually or collectively at least 5% of the issued share capital of the Issuer (a) have the right to put items on the agenda of the general meeting of the shareholders and (b) have the right to table draft resolutions for items included or to be included on the agenda of the general meeting of the shareholders. Those rights shall be exercised by the request in writing of the relevant shareholders submitted to the Issuer by postal services or electronic means. The request must be accompanied by a justification or a draft resolution to be adopted in the general meeting of the shareholders and shall include the electronic or mailing address at which the Issuer can acknowledge receipt of the request. Any such request from shareholders must be received by the Issuer not later than on the twenty-second day prior to the date of the general meeting of the shareholders.

In accordance with the Luxembourg Shareholder Rights Law, the Issuer shall make available to its shareholders on its website for a continuous period beginning on the day of publication of the convening notice of the general meeting (which must be at least 30 days prior to the meeting) and including the day of the general meeting of the shareholders, inter alia, such documents which need to be submitted to the general meeting of the shareholders and the convening notice. Shareholders may upon request obtain a copy of the full, unabridged text of the documents to be submitted to the general meeting of the shareholders by electronic means or at the registered office of the Issuer.

In accordance with the Luxembourg Shareholder Rights Law, shareholders have the right to ask questions at the general meetings of the shareholders related to items on the agenda. The right to ask questions and the obligation of the Issuer to answer are subject to the measures to be taken by the Issuer to ensure the identification of shareholders, the good order of the general meeting of the shareholders and its preparation as well as the protection of confidentiality and business interests of the Issuer.

4. Group Corporate Governance

Each country's Group company is entitled to take operational decisions regarding its business activities. Countries located in a certain region are combined in clusters

(“Hubs”). Each Hub is entitled to take decisions regarding the activities of the countries included in the Hub as well as Hub common frame activities.

In order to have efficient management of the Group’s activities in each jurisdiction the Group has established in Latvia the following management companies representing the different Hubs:

- 1) AS Eleving Vehicle Finance (previously AS Mogo Car Finance);
- 2) AS Mogo Balkans and Central Asia;
- 3) AS Eleving Stella (previously AS Mogo Eastern Europe);
- 4) AS Eleving Finance; and
- 5) AS Eleving Solis (previously AS Mogo Africa).

Strategic decisions related to the countries where the Group operates and/or the Hubs are taken by the management team of Eleving, which is responsible for the governance of the Group in general (see “*Information about the Issuer and the Group - Organization Structure*” above).

The current management team of Eleving is set forth in the table below:

Name	Year of Birth	Position
Modestas Sudnius	1986	category A member of the Management Board of the Issuer and Chief Executive Officer (CEO) of the Group
Maris Kreics	1985	category A member of the Management Board of the Issuer and Chief Financial Officer (CFO) of the Group

Modestas Sudnius – see “Management Board” above.

Maris Kreics – see “Management Board” above.

5. Committees

According to the Issuer’s Articles, the Management Board of the Issuer may establish one or more committees, notably a nomination committee, a remuneration committee and/or any other committee it deems useful or necessary in order to deal with specific tasks, to exercise such powers to the extent conferred or authorised by the resolution appointing them, to advise the Management Board or to make recommendations to the Management Board and/or, as the case may be, the general meeting of the shareholders of the Issuer. The Management Board shall appoint the members of such committee and determine its organisation, responsibilities, powers and procedures in internal regulations adopted by way of a resolution, the members of which may be selected either from among the members of the Management Board or not, to the exclusion of any member of the Supervisory Board. If and for so long as the Shares of the Issuer are admitted to trading on a Regulated Market, the Supervisory Board must establish an audit committee, which is responsible for the consideration and evaluation of all material questions concerning the auditing and accounting policies of the group and its financial controls and systems, together with related recommendations to be made to the Management Board.

a. Audit Committee

In 2019 the Issuer established an audit committee.

The audit committee oversees the Group's financial reporting process to ensure the transparency and integrity of published financial information, the effectiveness of the Group's internal control and risk management system, the effectiveness of the internal audit function, the effectiveness of the independent audit process of the Group, including recommending the appointment and assessing the performance of the external auditor, and the effectiveness of the process for monitoring compliance with laws and regulations affecting financial reporting and code of business conduct (where applicable).

The members of the audit committee have been appointed by the board of directors of the Issuer. The members of the audit committee consist of two members being Derek Bryce Urben and Lev Dolgatšjov and each of them is appointed for a period of three years. The audit committee reports to the Management Board of the Issuer.

b. Remuneration Committee

In 2024 the Group established a remuneration committee. Mr. Lev Dolgatšjov has been elected as the head of the Remuneration Committee, while Mr. Derek Bryce Urben has been elected as the member of the Remuneration Committee.

The Issuer has formed a remuneration committee. The remuneration committee is an advisory body responsible for the development, analysis and control with respect to, inter alia, the remuneration principles, remuneration, succession planning, compensation and development plans and other terms of employment applicable to the Management Board and Supervisory Board members.

6. Conflicts of Interest

As at the date of this Prospectus, none of the members of the Management Board or the Supervisory Board of the Issuer, other than Modestas Sudnius (holding direct interest in the Issuer equal to 3.00% of the share capital of the Issuer), Maris Kreics (holding indirect interest in the Issuer equal to 1.50% of the share capital of the Issuer) and Mārcis Grīnis (holding indirect interest in the Issuer equal to 2.50% of the share capital of the Issuer), has an ownership interest in the share capital of the Issuer and there are no other potential conflicts of interest between any duties of the Management Board or the Supervisory Board of the Issuer and their private interests and/or other duties.

7. Certain Information on the members of the Supervisory Board and the members of the Management Board

The Issuer considers two of the members of the Supervisory Board (Lev Dolgatšjov and Derek Bryce Urben) to be independent. The Issuer defines an "independent board member" to be an individual who is duly appointed or elected as a member of the Supervisory Board and who is not, and has never been for any part of the last three years, or in the case of item (3) below, for any part of the past two years, and will not, while serving as a member of the Supervisory Board be any of the following:

- a manager, senior manager or employee of the Issuer or of any of the Issuer's affiliates (other than as an independent member of the Supervisory Board or as a director or board of directors member of any of the Issuer's affiliates);
- a person who has received any money, compensation or other payment from the Issuer or of any of the Issuer's affiliates (including, without limitation, any of the Issuer's or any of the Issuer's affiliates' creditors, suppliers or service

providers), except for (a) any person who has received any fees or compensation by virtue of being an independent board member or director, (b) any person who has received any dividends or other distributions as a registered holder of ordinary Shares, or (c) any person who has been appointed as an independent board member or director prior to the date of consummation of this offering and who has received fees or compensation from the Issuer;

- a member, partner, equity holder, manager, director, senior manager or employee of the current or former auditor of the Issuer;
- a person that (a) has a conflicting interest with the Issuer as determined by a nomination committee or the remuneration committee in good faith, (b) is a manager, director, senior manager or employee of any of the Group's competitors or (c) is a controlling shareholder of any of the Group's competitors or a manager, director, senior manager or employee thereof;
- the spouse, sibling, child, stepchild, grandchild, niece, nephew or parent of any person described in (1) to (4) above or the spouse of any such person; or
- any partner, employee or representative of a major shareholder.

There are no family relationships among the members of the Supervisory Board and/or Management Board.

8. Corporate Governance

The corporate governance rules of the Issuer are based on applicable Luxembourg laws and the Issuer's Articles of Association.

The information on the corporate governance of the Issuer is published on the Issuer's website (www.eleving.com). It will contain, among others, the Articles of Association and the voluntary declaration of compliance regarding the Latvian Corporate Governance Code (the "**Code**"), adopted in December 2020.

As a Luxembourg public limited liability company (*société anonyme*) the Shares of which will be listed and traded on the Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard), the Issuer is not required to comply with the Ten Principles of the Corporate Governance of the Luxembourg Stock Exchange applicable to Luxembourg incorporated companies that are listed in Luxembourg nor with the Latvian corporate governance regime applicable to commercial companies operating in Latvia. Nonetheless, the Issuer has decided to follow, on a voluntary basis, to a certain extent, the rules of these corporate governance codes. However, certain rules will apply to the Issuer only to the extent allowed by Luxembourg corporate law and subject to certain reservations stemming from the Issuer's corporate structure.

9. Litigation Statement

Information regarding any and all legal proceedings, as further specified below, involving any members of the Management Board or the Supervisory Board of the Issuer, is disclosed in detail below.

Scope of disclosure	Applicability to any member of the Management Board or the Supervisory Board of the Issuer
Details of any convictions in relation to fraudulent offences for at least the previous five years	Not applicable
Details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of any member of the Management Board or the Supervisory Board of the Issuer for at least the previous five years	Not applicable
Details of any official public incrimination and/or sanctions involving any member of the Management Board or the Supervisory Board of the Issuer by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years	Not applicable

10. Change of Control over the Group

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer (e.g. any arrangements among shareholders (e.g. acting in concert agreements)).

11. Remuneration and Benefits

11.1 Remuneration Policy

The Issuer has adopted a Remuneration Policy in 2024 which elaborates a number of principles critical to the determination of remuneration of employees, and members of the Management Board and Supervisory Board. These principles are as follows:

- the remuneration shall be commensurate with the performance and personal contribution of the employee, member of the Management Board or Supervisory Board;
- the remuneration shall be in alignment with the terms of employment, the scope of responsibilities of each employee or member of the Management Board or Supervisory Board and the actual performance of the Issuer;

- the remuneration of members of the Management Board and Supervisory Board shall be proportionate to the remuneration of employees of the Issuer;
- the level of remuneration shall be competitive with the overall labour market;
- the remuneration structure shall be balanced and not encourage excessive risk-taking;
- the remuneration shall not be contrary to the long-term value and objectives of the Issuer and its shareholders;
- in order to avoid conflicts of interest, the Issuer shall ascertain that its employees, members of the Management Board and Supervisory Board are not involved in the process of determination of their own compensation.

11.2 *Amount of remuneration paid in relation to the last full financial year*

In the year 2023, the directors then sitting on the board of directors of the Issuer collectively received an annual compensation (including bonuses) in the aggregate amount of approximately EUR 334,600.00 (gross) (including remuneration for their other positions within the Group for the then category A directors). Modestas Sudnius annual base remuneration in 2023 was EUR 174,934, plus EUR 21,600 in other payments which include allowances for things like accommodation, food and travel relevant for performance of the management board member obligations. Māris Kreics annual base remuneration in 2023 was EUR 138,066. There were no other bonuses or payments made to Māris Kreics and Modestas Sudnius in 2023 as part of their remuneration package. The directors who are employees of Centralis SA did not receive any employment related remuneration from the Issuer since the provision of their services is in the scope of the corporate servicing agreement between the Issuer and Centralis SA.

As at 31 December 2023, the Issuer had no stock options programme for its employees, including its members of the Management Board. Thus, the remuneration of the members of the Management Board was fully paid in cash. As from the establishment of the Employees Stock Option Programme (as defined below) the members of the Management Board will be entitled to receive an option over the Issuer shares, as further described in Subsection 13 (*Employees Stock Option Programme*) of this Section.

In the interests of preserving the privacy of its employees, the Issuer has chosen not to publicly disclose any information on the remuneration packages and the amounts of remuneration paid to individual employees. The remuneration of directors will not be listed individually but globally. A global disclosure is deemed sufficient to ensure shareholders' need for information in full compliance with disclosures required by law.

The members of the Supervisory Board of the Issuer collectively will receive for the performance of their duties a directors' fee based on the respective service agreements of EUR 84,000.00 (gross) per annum. As from the establishment of the Employees Stock Option Programme (as defined below) the members of the Supervisory Board will be entitled to receive an option over the Issuer shares, as further described in Subsection 13 (*Employees Stock Option Programme*) of this Section.

The chairman of the Audit Committee and the Remuneration Committee will not receive any additional compensation for chairing the respective committee.

As at the date of this Prospectus, no additional amounts are set aside or accrued by the Issuer or its subsidiaries to enable the payment of pension, retirement, or similar

benefits for the benefit of members of the Supervisory Board or Management Board of the Issuer or any Group company.

The details on the amount of remuneration of the members of the Management Board and Supervisory Board, as at the date of this Prospectus, are provided below:

Position	Remuneration in EUR (Gross amount per year)	Other Payments (EUR)
Members of the Supervisory Board (collectively)	EUR 84,000.00	N/A
Members of the Management Board (collectively)	EUR 313,000.00	EUR 21,600 ²⁶
Members of Committees (collectively)	N/A	N/A

12. Benefits upon Termination of Employment

No service contracts have been entered into between the members of the Management Board, the Supervisory Board and the Issuer or any of its subsidiaries, providing for benefits upon termination of employment (other than those imposed by law).

13. Employees Stock Option Programme

On 8 August 2024, the general meeting of the shareholders of the Issuer resolved to approve an employment stock options programme for the benefit of the Group's employees, the Management Board and the Supervisory Board. The purpose of issuing the Company's employees options is to reward the employees, members of Management Board and Supervisory Board for their successful performance, significant investment and loyalty to the Company, as well as to motivate them to take part in the long-term development of the Company.

For the purpose of the Employment Stock Option Programme, the share capital of the Company will be increased by up to EUR 20,000.00 (2,000,000 shares) on the basis of the authorization granted to the Management Board under the special authorized share capital of the Company included in the Articles. Options may be granted by the eligible employees, duly identified by the Management Board in its sole discretion in accordance with the terms and conditions of the Company's Employment Stock Option Programme. Further, the Management Board is entitled to determine the number of options granted or to be granted to any eligible employee and determine the exercise price and vesting schedule of these options.

A holder of a stock option must hold the option for a minimum of 12 (twelve) months from the date the stock options were granted to such holder. After this minimum holding period had lapsed, the holder of stock options will be entitled to exercise them on specific exercise dates (1 January, 1 April, 1 July and 1 October of each year). The

²⁶ Other payments for members of the management board include allowances for things like accommodation, food and travel relevant for performance of the management board member obligations.

number of stock options that may be exercised on a particular exercise date shall be calculated in accordance with a formula contained in the Employment Stock Option Programme. The stock options can in any event no longer be exercised after a period of 6 (six) months after the termination of the employment relationship that the holder of the stock option had with the Issuer or any of its subsidiaries.

The holder of stock options shall pay no exercise price of the options in order to acquire shares in the Company and such shares will be granted subject to vesting conditions under Employment Stock Option Programme, as summarized above.

The amount of share capital foreseen for the purpose of the Employment Stock Option Programme is such that no material dilution effect is envisaged.

XIX. SHARE CAPITAL, MAJOR SHAREHOLDERS AND APPLICABLE REGULATIONS

1. Share Capital and Shares

1.1. Share Capital

As at the date of this Prospectus, the Issuer has a fully paid-up share capital of EUR 1,000,500.- EUR (one million five hundred Euros) represented by 100,050,000 (one hundred million fifty thousand) ordinary shares each having a nominal value of 0.01 EUR (one Euro cent), each.

Prior to 6 June 2024, the Issuer's fully paid-up share capital of EUR 1,000,500 (one million five hundred euro) consisting of 100,050,000 (one hundred million fifty thousand) shares each having a nominal value of EUR 0.01 (one euro cent), divided into (i) 100,049,998 (one hundred million forty-nine thousand nine hundred ninety-eight) ordinary shares, (b) 1 (one) class A preferred share and (c) 1 (one) class B preferred share. Each of, respectively the class A preferred share and the class B preferred share had no voting rights attached to it and each holder of preferred shares was entitled, in priority to the payment of dividends to the holders of ordinary shares, to an annual cumulative preferred dividend decided by the affirmative vote of a shareholder or shareholders holding at least fifty percent of the share capital of the Issuer at the general meeting of the Issuer.

On 6 June 2024, the extraordinary general meeting of shareholders of the Issuer has resolved to convert each of the class A preferred share and the class B preferred share into ordinary shares, each having a nominal value of EUR 0.01 (one euro cent).

The table below sets out the changes affecting the share capital structure of the Issuer which have occurred over the period covered by the historical financial information:

Date of registration	Share capital before	Change	Share capital after	Number of Shares
20 September 2022	EUR 1,000,000.-	(i) Creation of two additional new classes of shares, namely a class A preferred share and a class B preferred share with a nominal value of one Euro cent (EUR 0.01.-) each; (ii) Conversion of (a) ninety-nine million nine hundred ninety-nine thousand nine hundred ninety-eight (99,999,998) shares with a nominal value of one Euro cent (EUR 0.01.-) each, into ordinary shares, (b) two shares, with a nominal value of one Euro cent (EUR 0.01.-) each, into one (1) Class A Preferred Share and one (1) Class B Preferred Share; and	(2) EUR 1,000,500.-	100,050,000

(iii) Increase of the share capital of the Issuer from its then present amount of one million Euro (EUR 1,000,000.-) to an amount of one million five hundred Euro (EUR 1,000,500) by the issuance of fifty thousand (50,000) new ordinary shares with a nominal value of one Euro cent (EUR 0.01.-) each

6 June 2024	EUR 1,000,500.-	Conversion of existing class A preferred shares, with a nominal value of one Euro cent (EUR 0.01) each class B preferred shares, with a nominal value of one Euro cent (EUR 0.01) each into ordinary shares, with a nominal value of one Euro cent (EUR 0.01) each, vested with the same rights and obligations as the existing ordinary shares of the Company and allocated to their respective existing holders.	EUR 1,000,500.-	100,050,000
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Following the consummation of the capital increase for purposes of the issuance of the New Shares and the placement of the Offer Shares in connection with the Offering, the Issuer's share capital will amount to up to EUR 1,185,500, represented by up to 118,550,000 ordinary shares in dematerialized form with a nominal value of 0.01 EUR (one Euro cent) each. The share capital of the Issuer will be fully paid up.

1.2. *Authorised Capital*

As at the date of this Prospectus, the Issuer has an authorized share capital (consisting of a general authorized capital and a special authorized capital which is supplemental to the general authorized capital), excluding the issued share capital for an amount of up to four hundred ninety thousand Euros (EUR 490,000 EUR) divided into:

- a general authorized capital of an amount of up to one hundred twenty thousand Euros (EUR 120,000). During a period of five years from the date of publication of the resolutions of the extraordinary general meeting of shareholders held on 23 December 2021 or, as the case may be, of the resolution renewing or modifying such authorization in the Luxembourg Official Gazette (*RESA (Recueil Electronique des Sociétés et Associations)*), Subject to the prior written consent of the Supervisory Board, the Management Board is authorized to issue shares, to grant options to subscribe for shares and to issue any other instruments convertible into shares within the limit of the authorized capital, to such persons and on such terms as it shall see fit, other than any of the entities within Eleving Group, and specifically also to proceed to such issue without reserving a preferential subscription right for the existing shareholders. This authorization may be renewed once or several times

by a resolution of the general meeting of shareholders, adopted in the manner required for an amendment of the Articles of Association, each time for a period not exceeding 5 years from the date of publication of the relevant resolutions of the extraordinary general meeting of shareholders, and

- a special authorized capital of an amount of up to 370,000 Euros (EUR three hundred seventy thousand), resolved on by the extraordinary General Meeting of the shareholders of the Company held on 8 August 2024. Subject to the prior written consent of the Supervisory Board, the Management Board is authorized to issue shares for, (i) up to three hundred fifty thousand Euros (350,000 EUR), to use this amount for an initial public offering of shares in the Issuer and (ii) up to twenty thousand Euros (20,000 EUR), issue shares for the purpose of the Employment Stock Option Programme. Subject to the prior written consent of the Supervisory Board, the Management Board is authorized to increase the issued share capital on one or several occasions, against payment in cash or in kind, by the incorporation of reserves, issue premiums or retained earnings, to issue shares, option and financial instruments convertible into shares, within the limit of the authorized share capital, to such persons and on such terms as it shall see fit, and specifically also to proceed to such issue without reserving a preferential subscription right for the existing shareholders.. The above authorization is valid for a period ending five (5) years after the date of the General Meeting of the shareholders of the Company creating the authorized capital mentioned in this paragraph.

In connection with the Offering, the Management Board is expected to resolve upon the issuance of up to EUR 185,000 New Shares on the basis of the authorization granted to it under the special authorized capital provisions of the Articles of Association of the Issuer, as a whole at once or by successive issue of portions of New Shares against payment in cash, . Upon the notarial deed(s) of acknowledgement relating to the issuance of the respective New Shares, the Issuer's share capital will be increased from its current amount of EUR 1,000,500 by up to EUR 1,185,500.

1.3. Ownership and transfer of Shares

The Shares are in dematerialised form (*titres dématérialisés*) in accordance with article 430-7 of the Luxembourg Company Law and the Luxembourg Law on Dematerialized Securities. All future shares to be issued by the Issuer shall be in dematerialised form. All dematerialised Shares will be recorded in the single securities issuance account (*compte d'émission*) maintained by via a single settlement organisation (*organisme de liquidation*) appointed by the Issuer, being Nasdaq CSD SE , as may be changed from time to time (the "**Settlement Organisation**").

The dematerialised Shares are only represented, and the ownership of such Shares is only established by a record in the name of the shareholder in a securities account ("*compte titres*"), within the meaning of such term in the Luxembourg Law on Dematerialized Securities. The Settlement Organisation may issue or request the Company to issue certificates relating to dematerialised Shares for the purpose of international circulation of securities.

The dematerialised Shares issued by the Issuer shall be recorded at all times in the single securities issuance account of the Settlement Organisation, which shall indicate the identification elements of these dematerialised shares, the quantity issued and any subsequent changes.

To allow the account keepers or, where applicable, the foreign account keepers to exercise their rights attached to the Shares and their rights of action against the Issuer or third parties, they shall issue certificates to their account holders in exchange for written certification by the latter that they hold the securities concerned for own account

or act pursuant to a right granted by the holder of the securities rights. Reference shall be made of it on the certificate.

The Shares will be freely transferable in accordance with the legal requirements for dematerialised shares. There are no restrictions on the transferability of the Issuer's Shares prior to the Offering other than lock-up agreements entered into between, among others, the Issuer and the current shareholders holding, together, the entire shareholding of the Issuer prior to the Retail Offering who have committed to lock-up agreements, as further disclosed in section XX. *TERMS AND CONDITIONS OF THE OFFERING, 10. Agreements related to the Offering.* The Management Board may, however, impose transfer restrictions for Shares that are registered, listed, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein.

The transfer of a dematerialised share occurs by transfer of the book entry rights from one securities account to another (*virement de compte à compte*).

For the purposes of identifying the shareholders, the Issuer may, at its expense, request from the Settlement Organisation the name, nationality, date of birth or date of incorporation and the address of the holders of the shares in its books which immediately confers or may confer in the future voting rights at the Issuer's general meetings of the shareholders, together with the number of shares held by each of them and, where applicable, the limits the shares may be subject to. The Settlement Organisation shall provide the Issuer with the identification data in its books on the holders of the securities accounts and the number of shares held by each of them.

The same information on the shareholders for own account shall be gathered by the Issuer through the account holders, whether from Luxembourg or abroad, who have a securities account with the Settlement Organisation.

The Issuer may request the persons indicated on the lists given to it to confirm that they hold the Shares for own account.

When a person who holds an account with the Settlement Organisation or an account keeper or a foreign account keeper does not communicate the information requested by the Issuer in accordance with article 17 of the Dematerialisation Law, within two (2) months as from the request or, if he/she/it communicated incomplete or erroneous information relating to his/her/its quality or the quantity of the Shares held by him/her/it, the Issuer may suspend until settlement the voting rights up to the amount of the Shares for which the information requested was not received.

The Issuer shall make payments, by way of dividends or otherwise, in cash, shares or other assets only into the hands of the Settlement Organisation and that payment shall release the Issuer from any and all obligations for such payment. Unless otherwise possible, the payment of any dividend in cash by the Issuer shall be made in Euro.

The Issuer will recognise only one holder per Share. In case a Share is held by more than one person, the persons claiming ownership of the Share will be required to name a single proxy to represent the Share vis-à-vis the Issuer. The Issuer has the right to suspend the exercise of all rights attached to such Share until one person has been appointed in this way. The same rule shall apply in the case of a conflict between a pledgor and a pledgee. However, where a Share is held by more than one person, each such person shall have the rights set out in article 461-6 of the Luxembourg Company Law.

1.4. *Repurchase and Redemption of own Shares*

At the date of the Prospectus, the Management Board is currently authorized by the general shareholders' meeting to acquire own shares.

The Issuer does not currently hold any of its own shares, nor does a third party on behalf of the Issuer.

Without prejudice to the principle of equal treatment of shareholders in the same situation, repurchase its own shares and according to article 430-15 of the Luxembourg Company Law and subject to the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**"), the Issuer may acquire its own shares either itself or through a person acting in its own name but on the Issuer's behalf subject to the following conditions:

- a. the authorization to acquire Shares is to be given by the General Meeting, which determines the terms and conditions of the proposed acquisition and in particular the maximum number of Shares to be acquired, the duration of the period for which the authorization is given and which may not exceed five years and, in the case of acquisition for value, the maximum and minimum consideration;
- b. the acquisitions must not have the effect of reducing the net assets below the aggregate of the subscribed capital and the reserves which may not be distributed under law or the Articles of Association;
- c. only fully paid-up Shares may be included in the transaction;
- d. the acquisition offer must be made on the same terms and conditions to all shareholders being in the same position, except for acquisitions which were unanimously decided by a General Meeting at which all shareholders were present or represented; in addition, the Issuer may repurchase its own shares on the stock exchange without an acquisition offer having to be made to the Shareholders.

At the time each authorized acquisition is carried out, the Management Board must ensure that the conditions mentioned in the preceding items (b), (c) and (d) are complied with.

Where the acquisition of the Issuer's own Shares is necessary in order to prevent serious and imminent harm to the Issuer, the condition under item (a) in paragraph (1) above does not apply. In such a case, the next General Meeting must be informed by the Management Board of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value, of the Shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

The condition under item (a) in paragraph (1) likewise does not apply in the case of Shares acquired either by the Issuer itself or by a person acting in his own name but on behalf of the Issuer for the distribution thereof to the staff of the Issuer or to the staff of a company with which the Issuer is in a control relationship. Control relationship means the relationship existing between a parent company and a subsidiary in the cases referred to in article 1711-1 of the Luxembourg Company Law. The distribution of any such Shares must take place within one year from the date of their acquisition. None of the abovementioned conditions, except for the condition described under paragraph (3) above, apply to the acquisition of:

- a. Shares acquired pursuant to a decision to reduce the capital or in connection with the issue of redeemable Shares;
- b. Shares acquired as a result of a universal transfer of assets;

- c. fully paid-up Shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract;
- d. Shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in particular, in the event of a merger, the division of the Issuer, a change in the Issuer's object or form, the transfer abroad of its registered office or the introduction of restrictions on the transfer of Shares;
- e. Shares acquired from a shareholder in the event of failure to pay them up;
- f. fully paid-up Shares acquired pursuant to an allotment by court order for the payment of a debt owed to the Issuer by the owner of the Shares; and
- g. fully paid-up Shares issued by an investment company with fixed capital acquired at the investor's request by that company or by a person acting in his own name but on behalf of the Issuer.

Shares acquired in the cases indicated under item (b) to (f) must, however, be disposed of within a maximum period of three years after their acquisition, unless the nominal value, or, in the absence of nominal value, the accounting par value of the Shares acquired, including Shares which the Issuer may have acquired through a person acting in its own name, but on behalf of the Issuer, does not exceed 10% of the subscribed capital.

If the Shares so acquired are not disposed of within the period prescribed, they must be cancelled. The subscribed capital may be reduced by a corresponding amount. Such a reduction is compulsory where the acquisition of Shares and their subsequent cancellation results in the Issuer's net assets having fallen below the amount of the subscribed capital.

Any Shares acquired in contravention of the abovementioned conditions must be disposed of within a period of one year after the acquisition. Have they not been disposed of within that period, they must be cancelled.

In those cases where the acquisition by the Issuer of its own shares is permitted in accordance with the foregoing, the holding of such shares is subject to the following conditions: (i) among the rights attaching to the shares, the voting rights in respect of the Issuer's own shares are suspended; and (ii) if the said shares are included among the assets shown in the balance sheet, a non-distributable reserve of the same amount is to be created among the liabilities.

Where the Issuer has acquired own shares in accordance with the abovementioned, the annual report of the Management Board must indicate: (i) the reasons for acquisitions made during the fiscal year, (ii) the number and the nominal value of the shares acquired and disposed of during the fiscal year and the proportion of the subscribed capital which they represent, (iii) in the case of acquisition or disposal for value, the consideration for the shares, and (iv) the number and nominal value of all the shares acquired and held in the Issuer's portfolio as well as the proportion of the subscribed capital which they represent.

1.5. *Securities other than Shares*

As at the date of this Prospectus, Issuer has issued securities other than the Shares.

For a description of the securities other than the Shares issued by the Issuer as well as other financing arrangements to which any member of the Group is a party, see the Section "*Material Agreements.*"

2. General Provisions Governing Allocation of Profits and Dividends Payments

For provisions governing the allocation of profits and the requirements and procedures for the payment of dividends, see "7 Dividend Policy".

3. General Provisions relating to the liquidation of the Issuer

The Issuer may be voluntarily dissolved by a resolution passed at an extraordinary general shareholders' meeting subject to the quorum and majority requirements for an amendment to the Articles of Association. The quorum is at least one half (1/2) of all the Shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of Shares present or represented. A two-thirds (2/3) majority of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting.

In accordance with the provisions of the Company Law, in the event of a loss pursuant to which the Issuer's net assets fall below half of its share capital, the Management Board must convene an extraordinary general shareholders' meeting within two months as at the date on which the Management Board discovered or should have ascertained this loss. The Management Board shall set out the causes of that situation and shall justify its proposals in a special report which must be made available to the shareholders at the Issuer's registered office eight (8) days before the meeting of the shareholders. If it proposes to continue to conduct business, it shall set out in its report the measures which it intends to take in order to remedy the financial situation of the Issuer. The report shall be announced in the agenda of the meeting. Any shareholder is entitled to obtain a copy of the report, free of charge, upon request and upon evidence of their title, eight (8) days before the meeting. A copy of the report shall be sent to the registered shareholders at the same time as the convening notice to the meeting. At this extraordinary general shareholders' meeting, shareholders will resolve on the possible dissolution of the Issuer. The quorum is at least one half (1/2) of all the Shares issued and outstanding and a two-thirds (2/3) majority of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of Shares present or represented. Where following the loss the Issuer's net assets fall below one quarter (1/4) of the share capital, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of shareholders representing 25% of the votes cast at the meeting.

The Issuer, once dissolved, is deemed to exist for as long as necessary for its proper liquidation.

If the Issuer is dissolved for any reason, the general shareholders' meeting will have the most extensive powers to appoint the liquidator(s), determine their powers and fix their remuneration. The powers of the Management Board in office will end at the time when the liquidators are appointed. In case the general shareholders' meeting fails to appoint the liquidator(s), the members of the Management Board then in office will, vis-à-vis third parties, be deemed to be the liquidators of the Issuer.

The principal duty of the liquidators consists of winding up the Issuer by paying its debts, realizing its assets and distributing them to the shareholders. If the financial

situation so warrants, pre-payments of liquidation dividends may be made by the liquidator in accordance with the Luxembourg Company Law.

After payment of all debts and liabilities of the Issuer or deposit of any funds to that effect, the liquidation surplus will be used to reimburse in cash or securities the amount paid up on the Shares. If all the Shares are not equally paid up, the liquidator(s) shall restore equality either by a call for funds or a prior distribution. The balance of the liquidation surplus will be distributed equally between all Shares.

Pursuant to the Luxembourg Company Law, upon the termination of the liquidation, the liquidators report to a general shareholders' meeting, at which one or several special auditor(s) (commissaire) are appointed to report on the liquidation. This auditor's report (rapport du commissaire's) is submitted for approval to a general shareholders' meeting, at which a resolution to close the liquidation of the Issuer is taken.

Neither the Luxembourg Company Law nor the Articles of Association will provide for special rights of shareholders on a winding up immediately prior to closing of the Retail Offering.

4. Shareholders

The following table sets out the shareholding of the Issuer as at the date of this Prospectus:

	Details of the shareholder	Number of shares	Type of Shares	Percentage	UBO
1	AS "ALPPES Capital" , a joint-stock company registered in the Republic of Latvia, company registration number under the Latvian Commercial Register 52103097551, having its registered office at Jūras iela 12, Liepāja, LV-3401, Latvia	43,691,654	Ordinary Shares	43.67%	Aigars Kesenfelds
2	AS Novo Holdings , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806598, having its registered office at Skanstes iela 50, Rīga, LV-1013, Latvia	14,563,759	Ordinary Shares	14.56%	Alberts Pole
3	AS Obelo Capital , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806155, having its registered office Skanstes iela 50, Rīga, LV-1013, Latvia	14,563,960	Ordinary Shares	14.56%	Māris Keišs

4	SIA EMK Ventures , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 42103100347, having its registered office at Alberta iela 13, Rīga, LV-1010, Latvia	14,563,960	Ordinary Shares	14.56%	Kristaps Ozols
5	Modestas Sudnius , personal identity number in the Republic of Latvia: 327210-22733, address: Jāņa Pliekšāna iela 13-2, Jūrmala, LV-2015, Latvia	3,000,000	Ordinary Shares	3.00%	Modestas Sudnius
6	SIA Mabo Capital , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 41203073703, having its registered office at Makonu iela 10, Ramava, Kekavas novads, LV-2111, Latvia	2,500,000	Ordinary Shares	2.50%	Mārcis Grīnis
7	SIA fianchetto , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 42103111694, having its registered office at Drustu iela 31, Rīga, LV-1002, Latvia	2,500,000	Ordinary Shares	2.50%	Jēkabs Endziņš
8	SIA BCAP Holding , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 50203123551, having its registered office at Alberta iela 13, Rīga, LV-1010, Latvia	2,000,000	Ordinary Shares	2.00%	Mārtiņš Baumanis
9	SIA MCAP , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40203044419,	1,500,000	Ordinary Shares	1.50%	Māris Kreics

having its registered office at Hospitalu iela 39 – 22, Riga, LV-1013, Latvia

10	Igors Lavrinovičš , personal identity number in the Republic of Latvia: 270581-10211, address: 1820 Basildon Road, Mount Pleasant SC 29466-7140, USA	500,000	Ordinary Shares	0.50%	Igors Lavrinovičš
11	Jūlija Lebedinska – Ļitvinova , personal identity number in the Republic of Latvia: 300380-11002, address: Cepla iela 9, Dzidrinās, Stopinū novads, LV-2130, Latvia	416,667	Ordinary Shares	0.42%	Jūlija Lebedinska - Ļitvinova
12	SIA TP Legal Services , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 41203069746, having its registered office at Veja iela 30, Adazi, Adazu pag., Adazu nov., LV-2164, Latvia	250,000	Ordinary Shares	0.25%	Toms Puriņš
	Sum	100,050,000	Ordinary Shares	100%	N/A

The Issuer's major shareholders do not have different voting rights.

The following table sets out the expected shareholding of the Issuer and the free float upon the completion of the Offering, assuming that the maximum number of Offer Shares (including full exercise of the Upsize Option) will be placed at the mid-point of the Offer Price Range.

	Details of the shareholder	Number of shares	Type of Shares	Percentage	UBO
1	AS "ALPPES Capital" , a joint-stock company registered in the Republic of Latvia, company registration number under the Latvian Commercial Register 52103097551, having its registered office at Jūras iela 12, Liepāja, LV-3401, Latvia	41,071,465	Ordinary Shares	34.64%	Aigars Kesenfelds

2	AS Novo Holdings , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806598, having its registered office at Skanstes iela 50, Rīga, LV-1013, Latvia	13,690,370	Ordinary Shares	11.55%	Alberts Pole
3	AS Obelo Capital , a joint-stock company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40103806155, having its registered office Skanstes iela 50, Rīga, LV-1013, Latvia	13,690,559	Ordinary Shares	11.55%	Māris Keišs
4	SIA EMK Ventures , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 42103100347, having its registered office at Alberta iela 13, Rīga, LV-1010, Latvia	13,690,559	Ordinary Shares	11.55%	Kristaps Ozols
5	Modestas Sudnius , personal identity number in the Republic of Latvia: 327210-22733, address: Jāņa Pliekšāna iela 13-2, Jūrmala, LV-2015, Latvia	2,820,090	Ordinary Shares	2.38%	Modestas Sudnius
6	SIA Mabo Capital , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 41203073703, having its registered office at Makonu iela 10, Ramava, Kekavas novads, LV-2111, Latvia	2,350,075	Ordinary Shares	1.98%	Mārcis Grīnis
7	SIA fianchetto , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 42103111694, having its registered office at	2,350,075	Ordinary Shares	1.98%	Jēkabs Endziņš

	Drustu iela 31, Rīga, LV-1002, Latvia				
8	SIA BCAP Holding , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 50203123551, having its registered office at Alberta iela 13, Rīga, LV-1010, Latvia	1,880,060	Ordinary Shares	1.59%	Mārtiņš Baumanis
9	SIA MCAP , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 40203044419, having its registered office at Hospitalu iela 39 – 22, Rīga, LV-1013, Latvia	1,410,045	Ordinary Shares	1.19%	Māris Kreics
10	Igors Lavrinovičš , personal identity number in the Republic of Latvia: 270581-10211, address: 1820 Basildon Road, Mount Pleasant SC 29466-7140, USA	470,015	Ordinary Shares	0.40%	Igors Lavrinovičš
11	Jūlija Lebedinska – Ļitvinova , personal identity number in the Republic of Latvia: 300380-11002, address: Cepla iela 9, Dzidrinās, Stopinu novads, LV-2130, Latvia	391,679	Ordinary Shares	0.33%	Jūlija Lebedinska - Ļitvinova
12	SIA TP Legal Services , a limited liability company registered in the Republic of Latvia, registration number under the Latvian Commercial Register 41203069746, having its registered office at Veja iela 30, Adazi, Adazu pag., Adazu nov., LV-2164, Latvia	235,007	Ordinary Shares	0.20%	Toms Puriņš
13	Free Float	24,500,000	Ordinary Shares	20.67%	N/A
	Sum	118,550,000	Ordinary Shares	100%	N/A

5. Shareholder Rights

The holders of ordinary Shares are entitled to:

- receive notice of and to attend at and to vote at meetings of holders of Shares on the basis of one vote per Share;
- receive dividends declared on the Shares. A holder of Shares shall be paid a share of the profit based on the annual financial statements of the Company in accordance with the Luxembourg Company Law, the Articles of Association and the Dividend Policy;
- in the event of a share capital increase against payment in cash, each holder of Shares has a preferential subscription right *pro rata* to its participation in the share capital prior to its increase (no preferential subscription right applies in case of a share capital increase against contribution in kind). Such right may be waived by the relevant shareholders and it may as well be limited or suppressed by the general meeting of shareholders or by the Management Board deciding the share capital increase. The decision to limit or suppress the preferential subscription right must be justified in a written report of the Management Board to the general meeting of shareholders, indicating in particular the proposed subscription price for the new Shares. The new Shares will be issued by excluding the preferential subscription right of existing shareholders; and
- receive pro-rata the remaining assets of the Issuer upon dissolution in equal rank with the holders of other Shares of the Issuer.

Holder of a preferred Share, if any:

- shall have no voting rights in general meetings of shareholders of the Issuer;
- a preference over the ordinary Shares over any distributions made by the Issuer;
- may dispose, sell or otherwise, any preferred Shares held only with the prior approval of the Management Board and
- preferred shares are freely redeemable by the Issuer.

The existing shareholders of the Issuer who jointly own 100% of the Issuer's Shares before the Offering, have agreed without the prior written consent of AS LHV Pank (the "**Lead Manager**") not to, directly or indirectly, sell, contract to sell, exercise any option to sell, or otherwise dispose of any Shares of the Issuer owned by them during the respective Lock-Up Periods, as further disclosed in section XX. *Terms And Conditions Of The Offering, 10. Agreements related to the Offering* .

Any amendments to the rights of the holders of Shares set out in the Articles of Association require the amendment of the Articles of Association. An amendment to the Articles of Association must be approved by an extraordinary general shareholders' meeting of the Issuer held in front of a Luxembourg public notary and is subject to a quorum of at least one half (1/2) of all the Shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of Shares present or represented. A two-thirds (2/3) majority of the votes cast by the shareholders present or represented is required at

any such general shareholders' meeting. However, in case the commitments of the shareholders are increased, decisions require the unanimous consent of the shareholders of the Issuer. The Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg laws.

6. Mandatory Takeover Bids

Mandatory bids, squeeze-out and sell-out rights under the Luxembourg Takeover Law

The Luxembourg law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and the Council of 21 April 2004 on takeover bids, as amended (the "**Luxembourg Takeover Law**") provides that if a person, acting alone or in concert, obtains voting securities of the Issuer which, when added to any existing holdings of the Issuer's voting securities, give such person voting rights representing 33 1/3% of all of the voting rights attached to the voting securities in the Issuer, this person is obliged to launch a mandatory offer for the remaining voting securities in the Issuer at a fair price. In a mandatory bid situation, the "fair price" is in principle considered to be the highest price paid by the offeror or by the person acting in concert with the offeror for the voting securities during the 12-month period preceding the mandatory bid.

Any voluntary bid falling within the scope of the Luxembourg Takeover Law for the takeover of the Issuer and any mandatory bid will be subject to regulation by the CSSF pursuant to the Luxembourg Takeover Law.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders for all the voting securities of the Issuer and if after such offer the offeror holds voting securities representing not less than 95% of the share capital that carry voting rights to which the offer relates and 95% of the voting rights in the Issuer, the offeror may require the holders of the remaining voting securities to sell those securities to the offeror at a "fair price". The price offered in a voluntary offer would in principle be considered a "fair price" in the squeeze-out proceedings if not less than 90% of the securities representing share capital that carry voting rights to which the offer relates were acquired in such voluntary offer by acceptance of the offer. The price paid in a mandatory offer is in principle deemed a "fair price". The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Issuer. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders for all the voting securities of the Issuer and if after such offer the offeror (and any person acting in concert with the offeror) holds voting securities carrying more than 90% of the voting rights in the Issuer, the remaining security holders may require that the offeror purchase the remaining voting securities at a "fair price". The price offered in a voluntary offer would in principle be considered "fair" in the sell-out proceedings if 90% of the securities representing share capital that carry voting rights of the Issuer to which the offer relates were acquired in such voluntary offer by acceptance of the offer. The price paid in a mandatory offer is in principle deemed a "fair price". The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Issuer. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

Where the Issuer has issued more than one class of voting securities, the rights of squeeze-out and sell-out described in the last two preceding paragraphs can be exercised only in the class in which the applicable thresholds have been reached.

Luxembourg Mandatory Squeeze-Out and Sell-Out Law

The Issuer falls also within the scope of the Luxembourg law of 21 July 2012 on mandatory squeeze-out and sell-out of securities of companies admitted or previously admitted to trading on a regulated market or having been offered to the public (the “**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**”). These provide that if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of Shares or other voting securities representing at least 95% of capital carrying voting rights and 95% of the voting rights of the Issuer (a “**Majority Owner**”), such owner may require the holders of the remaining Shares or other voting securities to sell those remaining securities (the “**Mandatory Squeeze-Out**”).

The Luxembourg Mandatory Squeeze-Out and Sell-Out Law also provides that where, through the acquisition of securities made alone or by persons acting in concert with her/him, a holder of shares or other voting securities of the Issuer becomes a Majority Owner (for the purpose of the Luxembourg Mandatory Squeeze-out and Sell-Out Law, a “Majority Owner” means any natural or legal person holding alone or with persons acting in concert controls directly or indirectly at least 95% of the Issuer’s capital carrying rights and 95% of the voting rights of the Issuer), or, if s/he is already a Majority Owner, acquires additional shares or other voting securities of the Issuer, one or several holders of the remaining shares or other voting securities of the Issuer may require this Majority Owner to buy their shares or other voting securities subject to the timing conditions set out under the Luxembourg Mandatory Squeeze-Out and Sell-Out Law (the “**Mandatory Sell-Out**”). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF.

7. Dividend Policy

General provisions

The shareholders’ share of profits is determined based on their respective interests in the Issuer’s share capital. In a Luxembourg public limited liability company (*société anonyme*), resolutions concerning the distribution of dividends for a given financial year, and the amount thereof, are adopted by the annual general meeting of shareholders related to such financial year.

The annual general meeting of shareholders decides on the allocation of the annual profit, if any. In accordance with the requirements of the laws of Luxembourg, every year at least 5% of the net profit of the Issuer must be set aside in order to build up the legal reserve. This allocation ceases to be compulsory when the legal reserve amounts to one-tenth of the issued share capital but shall again be compulsory if the reserve falls below such threshold of one-tenth. The remaining balance of the net profit will be at the disposal of the general meeting of shareholders. The general meeting of shareholders will also allocate profits to reserves other than the legal reserve, if such allocation is foreseen in the Articles of Association as resolved at such general meeting.

The annual general meeting of shareholders shall determine how the remainder of the annual net profits shall be disposed of and it may decide to declare and pay dividends from time to time, as in its discretion it believes best suits the corporate purpose and policy and within the limits of the Luxembourg Company Law. Dividends, when

payable, will be declared and paid in any currency selected by the Issuer's Management Board and will be paid at the time and place fixed by the Management Board within the limits of the decision of the general meeting of shareholders.

Furthermore, interim dividends may be declared by the Management Board and paid by the Issuer according to the following conditions:

- (i) interim accounts shall be drawn-up showing that the funds available for distribution are sufficient;
- (ii) the amount to be distributed may not exceed total profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements of the law or the Articles of Association;
- (iii) the decision of the Management Board to distribute an interim dividend may not be taken more than two months after the date at which the interim accounts have been made up;
- (iv) the approved statutory auditor in its report to the Management Board shall verify if the above conditions for a distribution of interim dividends have been satisfied.

No dividend distribution may be decided by the annual general meeting of shareholders when, on the closing date of the last financial year, the net assets as set out in the annual accounts are, or following such distribution would become, lower than the amount of the subscribed share capital plus the legal reserve or any other reserves that may not be distributed by virtue of the Articles of Association or the Luxembourg Company Law.

Dividend distributions that have not been claimed within five years as from the date that they have become available shall lapse in favor of the Issuer in accordance with the prevailing interpretation of article 2277 of the Luxembourg Civil Code (*Code civil*). There are no specific dividend restrictions or procedures for non-resident shareholders.

The Shares carry dividend rights as of 1 August 2024.

Terms of the Issuer's Dividend Policy

The first edition of the Dividend Policy of the Issuer was adopted on 8 August 2024 by the general meetings of the shareholders of the Issuer and has entered into force on 30 July 2024, when it was released. The Dividend Policy comprises a general information section, the principles of dividend distribution, the key considerations relevant to calculating and determining the amount of dividends, the dates and procedures for the payment of dividends and disclosures to be made in connection with the distribution and payment of dividends.

The governing body of the Issuer deciding

- on annual profit distribution and dividend payment, based on the annual financial statements of the Issuer including the date of dividend payment, is the annual general meeting of the shareholders. However, the Management Board prepares proposal for dividend allocation and distribution, which then is reviewed by the Supervisory Board and adopted at the General Meeting. The General Meeting is not legally bound by the recommendations of the Management Board and / or the Supervisory Board and may opt to pass a decision deviating from such recommendations,
- on interim profit distribution and dividend payment, based on interim financial statements of the Issuer is the Management Board.

The profit proposal prepared by Management Board for determination of dividends are based and include considerations of the following information in accordance with the Dividend Policy: (1) the Articles of Association and Luxembourg laws and regulations; (2) the Issuer's long-term development goals; (3) financial situation of the Issuer; (4) and legal obligations and duties of the Issuer (if any), e.g., contractual obligations stipulated by the Issuer's financing terms and conditions.

The Issuer will periodically review its Dividend Policy and will consider paying dividends if appropriate. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Issuer's results of operations, financial condition, contractual restrictions and capital requirements. The Issuer's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities, in particular by the Eleveling Group Bonds 2023/2028 and the Eleveling Group Bonds 2021/2026.

Certain circumstances may affect recommendation by the Management Board on the distribution of Issuer's profits and the shareholders may not expect dividends to be declared by the Issuer such as, including but not limited to the following:

- (i) to preserve funds that are required for the growth of the Issuer ;
- (ii) due to operation of laws applicable to the Issuer ;
- (iii) due to losses (if any) incurred by the Issuer in any particular year;
- (iv) due to any restrictions or covenants contained in any agreement as may be entered with lenders or bondholders of the Issuer ;
- (v) due to any other appropriate circumstances;
- (vi) due to the state of the economy, the Management Board would endeavour to retain larger part of profits to absorb future shocks in case of uncertain or recessionary economic conditions and in situations where the policy decisions of the government or governmental authorities have a bearing upon or affect the business of the Issuer;
- (vii) the Management Board will keep in mind the restrictions imposed by applicable laws and regulations with regard to declaration and distribution of dividends;
- (viii) Luxembourg tax policies on the Dividend Policy of the Issuer and the applicable rate of tax directly influencing the amount of profits available for distribution to shareholders;
- (ix) in the event of unfavourable market conditions, the Management Board may recommend resorting to a conservative dividend distribution in order to conserve cash outflows and reduce the cost of capital through alternative sources;
- (x) the extent of stability and magnitude of the Issuer's earnings, as well as the availability of any accumulated earnings, will directly affect the recommendation by the Management Board to distribute dividends;
- (xi) if the Issuer does not have sufficient cash resources to make dividend payment, the Management Board may recommend reducing the amount of dividend distribution.

Entitlement to dividends

Each shareholder of the Issuer has the right to a share in the profit of the Issuer. In accordance with the Luxembourg Company Law, the Articles of Association and the Dividend Policy, the Issuer may pay two types of dividends:

- (i) annual dividends which are determined on the basis of the consolidated profit of the Issuer included in its yearly financial statements, taking into account the interim dividends already paid out in the relevant year, and distributed once per year after the

General Meeting in which the relevant yearly financial statements are adopted and the decision on the distribution of dividends is duly passed, and

(ii) interim dividends are determined once per year based on the initiative of the Management Board after the half yearly financial reports of the Issuer have been prepared and provided that the conditions set forth in the Articles of Association of the Issuer and the Luxembourg Company Law regarding the distribution of interim dividends are satisfied.

Amount of the dividend per share

Prior to its public listing the Issuer has made regular and predictable yield-based returns while maintaining the financial stability and focusing on long-term development goals.

The historical breakdown of dividends distributed to shareholders of the Issuer in the financial years 2021, 2022 and 2023 is presented in the table below:

	Year ended 31 December 2023 (based on audited consolidated accounts)	Period between 1 January 2023 and 31 August 2023 (based on interim financial accounts)	Year ended 31 December 2022 (based on audited consolidated accounts)	Period between 1 January 2022 and 30 November 2022 (based on interim financial accounts)	Year ended 31 December 2021 (based on audited consolidated accounts)
Amount paid (in million EUR)	6.070	3.0	0.128	5.147	-
Amount per share (in EUR)	0.061	0.029	0.001	0.051	-

8. Share Capital Put Under Option

There are no options outstanding in relation to the shares of the Issuer, save for the option provided under the Eleving Group Subordinated Bonds 2021/2031. Under the terms and conditions of the former, on or prior the maturity date of the Eleving Group Subordinated Bonds 2021/2031 the Issuer may either elect to (a) redeem the Eleving Group Subordinated Bonds 2021/2031 in full with an amount per bond equal to the current outstanding amount, together with accrued but unpaid and non-capitalized deferred interest or (ii) opt for a redemption in kind through a conversion of the Eleving Group Subordinated Bonds 2021/2031 by delivering to the relevant bondholders such amount of ordinary shares or preferred shares to be issued on or prior to the relevant settlement date following a conversion of the Eleving Group Subordinated Bonds 2021/2031 that is equal to the conversion ratio in effect on the relevant conversion date of such Eleving Group Subordinated Bonds 2021/2031. In addition, under the terms and conditions of the former, the bondholders may exercise their conversion right only upon the occurrence of an event of default. Thus no exercise price is paid by them.

In the event of a conversion, the bondholders will elect to exchange their bonds for either ordinary shares or preferred shares of the Issuer to be issued, as applicable and

in accordance with the conversion ratio described in the terms and conditions of the Eleving Group Subordinated Bonds 2021/2031.

The shares of the Issuer, which shall be issued in accordance with the relevant corporate authorisations granted to the management board of the Company, as provided in the Articles, upon a conversion of the Eleving Group Subordinated Bonds 2021/2031 shall have the following characteristics:

(a) the ordinary shares shall have the rights and characteristics that are already ascribed to them in the Articles; and

(b) the preferred shares shall have no voting rights and a preference over the ordinary shares over any distributions made by the Issuer; they shall also be non-transferable without the prior approval of the Management Board and freely redeemable by the Issuer at a price equal to the aggregate of any un-paid and outstanding amount under the Eleving Group Subordinated Bonds 2021/2031, as at the time of the conversion thereof, minus any distributions or dividends paid by the Issuer and floored at their par value.

The potential dilution connected to the exercise of the conversion is immaterial mainly due to the anti-dilution provisions contained in the terms and conditions of the Eleving Group Subordinated Bonds 2021/2031. Finally, as described above in SECTION IV (*Reasons for the Offering, the Listing and Use of Net Proceeds*) the Issuer aims to use the proceeds of the Offering to fully redeem the Eleving Group Subordinated Bonds 2021/2031.

The Issuer has also established an Employees Stock Option Programme which can provide to Eligible Employees (defined in the Employees Stock Option Programme as any employee or member of the Management Board or member of the Supervisory Board of the Issuer and/or any of its Subsidiaries) to be duly identified by the Management Board of the Company with an option over shares of the Issuer, as further described in Subsection 13 (*Employees Stock Option Programme*) of Section XVIII (*Management*).

XX. TERMS AND CONDITIONS OF THE OFFERING

1. The Offering

In the course of the Offering, (i) the Issuer is offering up to 16,900,000 newly issued ordinary shares in dematerialised form with a nominal value of EUR 0.01 each from a capital increase against contribution in cash to be resolved by the Issuer (the "**Base Shares**"), (ii) up to 6,000,000 existing ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, from the holdings by all shareholders of the Issuer, pro rata to their shareholding interest in the Issuer, at the date of this Prospectus (together referred to as the "**Selling Shareholders**"), subject to the exercise of an Upsize Option, upon a decision of the Selling Shareholders to be taken on or around the date of the determination of the Offer Price (the "**Upsize Option**") (the "**Upsize Shares**"). The Offering may be increased by up to 1,600,000 ordinary shares in dematerialised form with a nominal value of EUR 0.01 each of the Issuer, from a capital increase against contribution in cash to be resolved by the Issuer to cover a potential over-allotment, subject to the exercise of an over-allotment option depending on the final demand and allocation to prospective investors in accordance with terms described in this Section "*Terms and Conditions of the Offering*" (the "**Over-Allotment Shares**", and together with the Base Shares and the Upsize Shares, the "**Offer Shares**"). Therefore, in the course of the Offering up to 24,500,000 Offer Shares are being offered.

The Offer Shares will be in the form of dematerialized shares and will be registered in a single securities issuance account (*compte d'émission*) maintained by Nasdaq CSD SE ("**Nasdaq CSD**") as single settlement organization within the meaning of the Luxembourg law of April 6, 2013 on dematerialized securities as amended ("**Luxembourg Law on Dematerialized Securities**"). Delivery of the Offer Shares is expected to take place on or about about 14 October 2024 through the book-entry facilities of Nasdaq CSD against payment for the Offer Shares in immediately available funds.

In order to simplify and expedite the settlement of the Offering (as defined below), the Issuer will enter into a share lending agreement with the Lending Shareholder and the Lead Manager on or about 20 September 2024 (the "**Share Lending Agreement**"). In accordance with the provisions of the Share Lending Agreement, the Lead Manager will borrow the necessary number of Offer Shares from the Lending Shareholder and will allocate these existing Shares to investors in accordance with the allocation rules described this Section "*Terms and Conditions of the Offering*".

The Net Proceeds of the Offering (excluding the Stabilization Proceeds, as defined below and the proceeds from the sale of the Upsize Shares, if any) will then be passed to the Issuer and part of the proceeds will be used by the Issuer to increase its existing share capital and issue up to 18,500,000 new ordinary shares in dematerialised form with a nominal value of EUR 0.01 each, to the Lead Manager (the "**New Shares**" and together with the Offer Shares, the "**Shares**"). When such New Shares have been issued, which will be fungible with the Offer Shares, the Lead Manager will deliver the New Shares to the Lending Shareholder in order to discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Offer Shares. The remaining of the net proceeds will be used by the Issuer to repay existing debt and develop the Group's business by, *inter alia*, launching new products in countries in which the Group currently operate and potentially expand across multiple channels in new countries, reduce financing costs and for general corporate purposes as also described in Section IV. Reasons for the Offering, the Listing and the Use of Net Proceeds).

Following completion of the Offering and assuming placement of all of the Offer Shares (i.e. assuming full exercise of the Upsize Option and Over-Allotment Option), the shareholding in the Issuer immediately prior the Offering will be diluted by up to 79,60% as a result of the Offering. The Selling Shareholders will receive the proceeds from the sale of the Upsize Shares, to the extent the Upsize Option is exercised, after deduction of fees and commissions), pro rata to their shareholding interest sold in the Issuer during the Offer Period. The Company will only receive the proceeds from the sale of the New Shares and the Over-Allotment Shares, to the extent such

The Offer Shares shall be offered (i) by way of an offering to retail investors in Latvia, Estonia Lithuania and Germany (the “**Retail Offering**”), and (ii) by way of a private placement to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in certain selected member states of the European Economic Area and to other selected investors in reliance on certain exemptions available under the laws of respective member states (the “**Institutional Offering**”, together with the Retail Offering, the “**Offering**”). The Retail Offering will take place in Latvia, Lithuania Estonia, and Germany after the CSSF has notified the competent authority of Latvia (the Bank of Latvia, in Latvian: *Latvijas Banka*), the competent authority of Estonia (the Estonian Financial Supervision and Resolution Authority, in Estonian: *Finantsinspeksioon*), the competent authority of Lithuania (the Bank of Lithuania, in Lithuanian: *Lietuvos Bankas*) and the competent authority of Germany (the German Federal Financial Supervisory Authority, in German: *Bundesanstalt für Finanzdienstleistungsaufsicht*) of the approval of the Prospectus in accordance with Article 25 of the Prospectus Regulation, respectively. The Prospectus together with translation of its summary into Latvian, Estonian, Lithuanian and German has been published in Latvia, Estonia, Lithuania and Germany, respectively.

All the Shares, including the Offer Shares, are shares in dematerialised form, fungible with each other, with a nominal value of EUR 0.01 each. The Shares have ISIN LU2818110020. The Shares are denominated in euro and governed by the laws of the Grand Duchy of Luxembourg. The Shares are freely transferrable and fungible with each other. All the Shares, including the Offer Shares, are of one class, rank *pari passu* with each other and carry equal voting rights. The Offer Shares will give rights to dividends declared by the Issuer (if any). For further description of the rights attached to the Shares, including the Offer Shares, please see “*Share Capital, Major Shareholders*”.

The division of the Offer Shares between the Retail Offering and the Institutional Offering has not been predetermined and will be decided by the Issuer after consulting with the Lead Manager in accordance with the principles described in Sub-section “*Allocation of the Offer Shares*” of this Section. The total amount of Offer Shares may decrease in case any part of the Offering is cancelled – please see “*Postponement or Cancellation of the Offering*” for further details.

The Issuer will, simultaneously with the Offering, apply for the listing and for the admission to trading of all the Company’s Shares, including the Offer Shares on the Nasdaq Riga’s Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange’s Regulated Market (Prime Standard).

The timetable set forth below provides certain indicative key dates for the Offering:

Start of the Offer Period	23 September 2024
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End of the Offer Period	8 October 2024
Announcement of the results of the Offering and determination of the Offer Price	9 October 2024
Settlement of the Offering	14 October 2024
First trading day on Nasdaq Riga's Regulated Market (Baltic Main List) and the Frankfurt Stock Exchange's Regulated Market (Prime Standard)	16 October 2024

The Settlement of the Offering and issue of the New Shares is expected to take place on or about 14 October 2024.

2. Offer Period

The Offer Period is a period during which persons who have a right to participate in the Offering may submit Subscription Undertakings for the Offer Shares. The Offer Period begins on 23 September 2024 10:00 a.m. CEST / 11:00 a.m. EEST and ends on 8 October 2024 at 2:30 p.m. CEST / 3:30 p.m. EEST.

The Issuer may at any time during the Offer Period extend or shorten it or withdraw the Offering. In case of an extension of the Offer Period, the Issuer is required to draw up a supplement to the Prospectus in accordance with Prospectus Regulation.

3. Offer Price Range

The final offer price payable for each Offer Share shall be decided by the Issuer, after consultation with the Lead Manager, following the completion of the bookbuilding process. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during the bookbuilding process. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. Consideration will also be given to whether the Offer Price and the number of shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Issuer's shares as reflected in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting shares at a particular price, but also to the composition of the group of shareholders in the Issuer that would result at a given price and expected investor behavior.

The Offer Price will be in the range of EUR 1.60 to EUR 1.85 (the "**Offer Price Range**"). The Offer Price Range may be amended until the end of the Offer Period on the basis of information obtained in the bookbuilding process in accordance with applicable laws and requirements. In accordance with the Prospectus Regulation, the Issuer is required to draw up a supplement to the Prospectus in the case any amendment is made to the Offer Price Range.

The Offer Price is expected to be set on or around 9 October 2024 and the Issuer will announce the Offer Price, as well as the number of Offer Shares and total aggregate amount of Offer Shares placed, by means of an ad hoc release on the electronic information dissemination systems of the Nasdaq Riga and the Frankfurt Stock Exchange and the Issuer's website (www.eleving.com).

The final Offer Price and total aggregate amount and number of shares placed in the Retail Offering shall be filed with the CSSF and made available to the public in accordance with arrangements set out in Article 21(2) of the Prospectus Regulation.

The Offer Price in the Retail Offering and the Institutional Offering will be the same.

4. Details regarding the Retail Offering

Right to Participate in the Retail Offering

The Retail Offering is directed to retail investors in Latvia, Estonia, Lithuania and Germany. For the purposes of the Retail Offering, a natural person is considered to be “in Latvia, Estonia, Lithuania or Germany” if such person has a securities account opened with a financial institution of the natural person’s choice which is licensed to provide such services within the territory of Latvia, Estonia, Lithuania or Germany, respectively.

A legal person is considered to be “in Latvia, Estonia, Lithuania or Germany” if such person has a securities account with a financial institution of the legal person’s choice licensed to provide such services within the territory of Latvia, Estonia, Lithuania or Germany, respectively.

Submitting Subscription Undertakings in the Retail Offering

The order to acquire a certain amount of Offer Shares (the “**Subscription Undertaking**”) may be submitted only during the Offer Period.

In order to submit a Subscription Undertaking, an investor in Estonia, Latvia and Lithuania must submit the Subscription Undertaking through any financial institution that is a participant of Nasdaq CSD or has relevant arrangements with participant of Nasdaq CSD. The list of financial institutions that are participants of Nasdaq CSD is available on the webpage of Nasdaq CSD at: <https://nasdaqcsd.com/list-of-participants/>.

In order to submit a Subscription Undertaking, an investor in Germany must place purchase orders in the Offering in Germany through the subscription functionality DirectPlace of the Frankfurt Stock Exchange in the exchange electronic trading system of the Frankfurt Stock Exchange (“XETRA”) trading system for the collection and settlement of subscription offers (“DirectPlace”). Investors who want to submit purchase orders for the Offer Shares through DirectPlace must submit them to their respective depository bank. This requires that the depository bank (i) has been admitted as a trading participant to the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) or has access to trading on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) via an accredited trading participant; (ii) is connected to XETRA, and (iii) is authorized and able to use DirectPlace according to the “Terms of use for the subscription functionality” (Nutzungsbedingungen der Deutsche Börse AG für die Xetra-Zeichnungsfunktionalität) (such depository bank, a “Trading Participant”). The Trading Participant issues purchase orders for the investor at the investor’s request through DirectPlace. A list of the financial institutions by country that are admitted to the Frankfurt Stock Exchange may be retrieved under the following website: <https://www.xetra.com/xetra-en/trading/xetra-participants>.

Content of and Requirements for Subscription Undertakings

An investor wishing to subscribe for the Offer Shares must contact the financial institution, which is a participant of the Nasdaq CSD and manages such investor’s securities account and submit a Subscription Undertaking for the purchase of Offer Shares in a form accepted by the financial institution and in conformity with the terms and conditions of the Prospectus. The list with the financial institutions that are participants of the Nasdaq CSD: <https://nasdaqcsd.com/list-of-participants/>. Forms for Subscription Undertakings in order to submit a Subscription Undertaking in Germany will be provided by the financial institution through which the investor submits the Subscription Undertaking. The list of the financial institutions by country that are admitted to the Frankfurt Stock Exchange may be retrieved under the following website: <https://www.xetra.com/xetra-en/trading/xetra-participants>.

The investor may use any method that such investor's account operator offers to submit the Subscription Undertaking (e.g., physically at the client service venue of the account operator, via internet bank or by other means). As minimum content, each Subscription Undertaking usually contains information on: investor's identity; personal ID number; registration number; address; number of shares being subscribed for; and securities account information

Subscription Undertakings may be submitted only during the Offer Period at the fixed price of EUR 1.85 per Offer Share (i.e. the maximum value of the Offer Price Range) (the "**Maximum Price**"), indicating the maximum number of the Offer Shares they are willing to buy, and only in euros. If multiple Subscription Undertakings are submitted by one investor, they will be merged for the purposes of allocation.

The minimum investment amount is the EUR amount corresponding to Maximum Price for one (1) Offer Share.

In the Retail Offering, the allocation for investors who have subscribed for Offer Share for an amount more than EUR 100,000 shall be decided in the Institutional Offering by the Issuer together with the Lead Manager, at their sole discretion.

Each investor must ensure that the information contained in the Subscription Undertaking submitted by such investor is correct, complete and legible. Both Nasdaq Riga and the financial institutions receiving the Subscription Undertakings reserve the right to reject any Subscription Undertakings that are incomplete, incorrect, unclear or illegible or that have not been completed and submitting during the Offer Period and in accordance with the terms set out in this Prospectus.

An investor may submit a Subscription Undertaking either personally or through a representative whom the investor has authorised (in the form required by the local law and by the relevant financial institution, as the case may be) to submit the Subscription Undertaking. A Subscription Undertaking is deemed submitted from the moment Nasdaq Riga receives a duly completed transaction instruction from the financial institution managing investor's securities account.

Costs and Fees

Investors must bear all costs and fees charged by the respective financial institution through which they submit their Subscription Undertaking. This may include costs and fees for the submission, amendment or cancellation of a Subscription Undertaking, or for the settlement of the transaction. These costs and fees may vary depending on the rules and prices established by the particular financial institution.

Submission of Subscription Undertakings through Nominee Accounts

An investor may submit a Subscription Undertaking through a nominee account only if such investor authorises the owner of the nominee account to disclose the investor's identity, personal ID number or registration number, and address to Nasdaq Riga and Nasdaq CSD, the Issuer and the relevant financial institution where the investor holds its securities account in writing. Each investor subscribing through a nominee account is considered as an independent investor if the Issuer and the Lead Manager have received information on such investor's identity and the amount of Offer Shares subscribed for by such investor. Subscription Undertakings submitted through nominee accounts without the disclosure of the above information will be treated as one investor for all Subscription Undertakings received for each nominee account.

Legal Effect of Subscription Undertakings

By submitting a Subscription Undertaking, each investor:

- (i) confirms that he/she/it has read the Prospectus and the Prospectus summary translated into Estonian, Latvian, Lithuanian, or German;

- (ii) accepts the terms and conditions of the Retail Offering set out in this section “*Terms and Conditions of the Offering*”, elsewhere in this Prospectus and agrees with the Issuer that such terms will be applicable to the investor’s acquisition of any Offer Shares;
- (iii) acknowledges that the Retail Offering does not constitute a binding sales offer of the Offer Shares, and that the submission of a Subscription Undertaking does not constitute the acceptance of a binding sales offer, and therefore does not in itself entitle the investor to acquire the Offer Shares, nor does it result in an agreement for the sale of the Offer Shares between the Issuer or the Lead Manager and the investor;
- (iv) accepts that the number of the Offer Shares indicated by the investor in the Subscription Undertaking will be regarded as the maximum number of the Offer Shares which the investor wishes to acquire (the “**Maximum Amount**”) and that the investor may receive less (but not more) Offer Shares than the Maximum Amount subscribed for (please see section “*Allocation of the Offer Shares*” below);
- (v) accepts that the division of the Offer Shares between the Retail Offering and the Institutional Offering has not been predetermined;
- (vi) undertakes to acquire and pay for any number of the Offer Shares allocated to them up to the Maximum Amount;
- (vii) consents to the processing of investor’s personal data to the extent such data processing is required for the purposes of the Offering in accordance with this Prospectus;
- (viii) authorises and instructs the financial institution through which the Subscription Undertaking is submitted to arrange the settlement of the transaction on their behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the transaction;
- (ix) authorises the financial institution through which the Subscription Undertaking is submitted to process and forward information on the identity of the investor and the contents of the investor’s Subscription Undertaking to the Issuer and/or its advisors, as the case may be, before, during and after the Offer Period;
- (x) accepts that the Issuer at its sole discretion has a right to refuse to allocate all or part of the subscribed Offer Shares to any investor due to AML and Sanctions regulations compliance risk;
- (xi) authorises the financial institution through which the Subscription Undertaking is submitted to amend the information contained in the Subscription Undertaking, including to (a) specify the value date of the transaction, (b) specify the number of the Offer Shares to be purchased by the investor and the total amount of the transaction, up to the Maximum Amount times a price equaling the high end of the Offer Price Range; (c) correct or clarify obvious mistakes or irregularities in the Subscription Undertakings, if any;
- (xii) confirms that he/she/it is not subject to the laws of any other jurisdiction which would prohibit the placing of the Subscription Undertaking and represents that he/she/it is authorised to place a Subscription Undertaking in accordance with the Prospectus; acknowledges that the Retail Offering does not constitute an offer for the Offer Shares by the Issuer within the meaning of Section 16(1) of the Estonian Law of Obligations Act (*Võlaõigusseadus*),

Section 1536. and Section 1537. of the Civil Law of Latvia, Section 6.167 (1) and (2) of the Lithuanian Civil Code (*Lietuvos Respublikos Civilinis kodeksas*) and Articles 1108 et seq. of the of the Luxembourg Civil Code (*Code civil*), and Sections 145 et seq. of the German Civil Code (*Bürgerliches Gesetzbuch*) or otherwise, and that the submission of a Subscription Undertaking does not constitute the acceptance of a sales offer, and therefore does not in itself entitle the investor to acquire the Offer Shares, nor results in a contract for the sale of the Offer Shares between the Issuer and the investor; and

- (xiii) acknowledges and agrees that he/she/it may be allocated fewer Offer Shares than he/she/it has submitted Subscription Undertakings for or no Offer Shares at all.

Payment within Retail Offering

By submitting a Subscription Undertaking, each investor authorises the financial institution managing the investor's current account connected to their securities account to immediately block the whole transaction amount on the investor's current account until the settlement is completed or funds are released in accordance with the terms and conditions set out in the Sub-section 15 "*Return of Funds*" of this Section. The transaction amount to be blocked will be equal to the Offer Price multiplied by the number of the Offer Shares such investor intends to subscribe for. Investors may submit Subscription Undertakings only when there are sufficient funds on the cash account connected to its securities account to cover the whole transaction amount for that particular Subscription Undertaking. The Offer Shares allocated to an investor will be transferred to its securities account or to the securities account of its nominee representative on or about the second business day after the allocation date (expected to be on or around 14 October 2024) against transfer of payment for such Offer Shares as described in the Prospectus.

5. Details regarding the Institutional Offering

By subscribing to the Offer Shares, investor participating in the Institutional Offering is deemed to have read this Prospectus, has accepted the terms and conditions set out in this Prospectus and has made the subscription according to the terms included in this Prospectus. Subscription and payment for the Offer Shares as described in the Prospectus shall deem the conclusion of the share subscription agreement as per terms and conditions set out in this Prospectus.

Subscriptions of Offer Shares within the Institutional Offering can be made only through the Joint Bookrunners. Investors intending to participate in the Institutional Offering can subscribe for Offer Shares during the entire Offer Period, during the working hours of the Joint Bookrunners. Subscriptions for Offer Shares by investors intending to participate in the Institutional Offering will be collected in the book.

No minimum subscription requirement applies to investors participating in the Institutional Offering.

6. Change and Withdrawal of Subscription Undertakings

Investors participating in the Offering have the right to amend or cancel their Subscription Undertakings at any time until the end of the Offer Period (inclusive). To do so, the investor must contact the financial institution with whom the Subscription Undertaking in question has been made to and carry out the procedures required by the financial institution for cancelling the respective Subscription Undertaking (such procedures may differ among financial institutions).

7. Allocation of the Offer Shares

The Issuer together with the Lead Manager expects to decide on the allocation of the Offer Shares after the expiry of the Offer Period and on or about 9 October 2024. The allocation of the Offer Shares between the Retail Offering and the Institutional Offering has not been previously determined. The Issuer together with the Lead Manager will determine the exact allocation upon its sole discretion taking into account the factors such as the quantitative and qualitative analysis of the order book. The allocation of the Offer Shares to investors in the Retail Offering in Germany will be compatible with the “Principles for the allotment of Share Issues to Private Investors” issued on 7 June 2000, by the German Commission of Stock Exchange Experts published by the Stock Exchange Expert Committee (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance.

The Offer Shares will be allocated to the investors participating in the Offering in accordance with the following principles which the Issuer may change depending on the distribution of Subscription Undertakings collected in the Retail Offering and the Institutional Offering, the total demand and other circumstances:

- (i) should an Over-Subscription occur, the Issuer will have the right to reduce or reject individual Subscription Undertakings under the Offering in its absolute discretion. For the purpose of the preceding sentence, an “**Over-Subscription**” will occur if the total amount of the Subscription Undertakings submitted exceeds the aggregate principal amount of the Offer Shares offered. In the event of a reduction or rejection of Subscription Undertakings, investors will be repaid the respective subscription amount, if any. Investors will be informed via the financial institution to which extent their subscriptions were accepted;
- (ii) the Issuer, in consultation with the Lead Manager, will determine the exact allocation of the Offer Shares between Institutional Offering and Retail offering as well as among investors in the Institutional Offering on a discretionary basis;
- (iii) under the same circumstances, all investors shall be treated equally, whereas depending on the number of investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Offer Shares allocated to one investor;
- (iv) the allocation shall be aimed to create a solid and reliable investor base for the Issuer;
- (v) possible multiple Subscription Undertakings submitted by an investor shall be merged for the purpose of allocation;
- (vi) each investor entitled to receive the Offer Shares shall be allocated a whole number of Offer Shares and, if necessary, the number of Offer Shares to be allocated shall be rounded down to the closest whole number. Any remaining Offer Shares which cannot be allocated using the above-described process will be allocated to investors on a random basis; and
- (vii) in the Retail Offering, the allocation for investors who have subscribed for Offer Shares with an amount of more than EUR 100,000 shall be decided in the Institutional Offering by the Issuer together with the Lead Manager, at their sole discretion.

The Issuer expects to announce the results of the Offering and the allocation on or about 9 October 2024 through the electronic information dissemination systems of the Nasdaq Riga and the Frankfurt Stock Exchange and through the Issuer’s website

<https://eleving.com/investors/>). The results of the Offering will be notified vis-à-vis the CSSF.

Investors will be informed via their relevant financial institution or the Issuer, the Lead Manager as the case may be, to which extent their Subscription Undertakings were accepted.

8. Settlement through the Lead Manager

Pre-Settlement Arrangements of the Base Shares

In order to simplify and expedite the settlement of the Offering, the Lead Manager will borrow the necessary number of Base Shares from the Lending Shareholder, in accordance with the provisions of the Share Lending Agreement, so as to allocate such Base Shares to investors in accordance with the allocation rules described above.

Part of the net proceeds of the Offering (received from the sale of the Base Shares) will then be passed to the Issuer and used by the Issuer to increase its share capital and issue the respective amount of New Shares to the Lead Manager. When such New Shares has been issued, which will be fungible with the Base Shares, the Lead Manager will deliver the New Shares to the Lending Shareholder in order to discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Base Shares.

Pre-Settlement Arrangements of the Upsize Shares

In order to simplify and expedite the settlement of the Offering, the Lead Manager will borrow the necessary number of Upsize Shares from the Lending Shareholder, in accordance with the provisions of the Share Lending Agreement and subject to the exercise of the Upsize Option, so as to allocate Upsize Shares to investors in accordance with the allocation rules described above.

Subject to the exercise of the Upsize Option, the Lending Shareholder will acquire the necessary amount of Upsize Shares from the other Selling Shareholders (excluding the Lending Shareholder) at the final Offer Price and pay the proceeds from the sale of the Upsize Shares (if any) in the Offering attributed to it by the Lead Manager, to such other Selling Shareholders (excluding the Lending Shareholder), pro rata to their sold shareholding interest in the Issuer. The Selling Shareholders will then receive the proceeds from the sale of the Upsize Shares (if any) in the Offering (after deduction of fees and commissions).

Pre-Settlement Arrangements of the Over-Allotment Shares

In order to Stabilize the stock market price of the Shares at a level higher than that which would otherwise prevail in conformity with the applicable law (including with the Market Abuse Regulation) (please see Sub-section 13 “*Stabilization Measures, Over-Allotments*” of this Section), the Stabilizing Agent under the instructions of the Stabilizing Manager will borrow the necessary number of Over-Allotment Shares from the Lending Shareholder, in accordance with the provisions of the Share Lending Agreement and subject to the exercise of the Over-Allotment Option, so as to allocate Over-Allotment Shares to investors in accordance with the allocation rules described above. The Stabilizing Agent will retain the Stabilization Proceeds in order to proceed to price stabilization actions during the Stabilization Period, if needed.

At the end of the Stabilization Period, the Stabilizing Agent will return (i) any Shares it acquired during the Stabilization Period to the Lending Shareholder in order to partly discharge its obligation under the Share Lending Agreement to deliver to the borrowed Over-Allotment Shares, and (ii) any remaining Stabilization Proceeds which were not used for stabilization activities to the Issuer (net of respective costs). Such proceeds will be used by the Issuer to increase its share capital and issue the respective amount

of New Shares to the Stabilizing Agent. When such New Shares has been issued, which will be fungible with the Over-Allotment Shares, the Stabilizing Agent will deliver the New Shares to the Lending Shareholder in order to fully discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Over-Allotment Shares.

During the period of time when the Stabilizing Agent holds shares for the purpose of the Offering, no General Meeting will be held by the Issuer, and no shareholders' resolution will be adopted.

9. Settlement and Trading

Settlement of the Offering will be carried out by Nasdaq CSD. The Offer Shares allocated to investors are expected to be transferred to their securities accounts on or about 14 October 2024 through the "delivery versus payment" method if subscribed via financial institutions, simultaneously with the transfer of payment for such Offer Shares on terms announced for the Offering. The title to the Offer Shares will pass to the relevant investors when the Offer Shares are transferred to their securities accounts proportionally to the number of shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary, in order to ensure that a whole number of Offer Shares is transferred to each securities account. If the transfer cannot be completed due to the lack of sufficient funds on the investor's current account, the Subscription Undertaking of the respective investor will be rejected and the investor will lose all rights to the Offer Shares allocated to such investor.

If an investor has submitted several Subscription Undertakings through several securities accounts, the Offer Shares allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Offer Shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary.

Trading of the Shares is expected to commence on the Nasdaq Riga's Regulated Market (Baltic Main List) and Frankfurt Stock Exchange's Regulated Market (Prime Standard) on or about 16 October 2024.

10. Agreements related to the Offering

Advisory Services Agreement and Placement Agreement

The Issuer has appointed AS LHV Pank as the Lead Manager and Bookrunner pursuant to an advisory services agreement and intends to conclude a placement agreement after registration of the Prospectus in connection with the Offering, which includes, among others, the obligation of the Lead Manager to sell the Offer Shares and arrange the settlement of the Offering, act as a Stabilizing Agent (please see "*Stabilization Measures, Over-Allotments*").

Joint Coordinators for the Offering

The Issuer has appointed Signet Bank AS, a credit institution incorporated and governed by the laws of Latvia, with registered address at Antonijas iela 3, Rīga, LV-1010, Latvia, M.M.Warburg & CO (AG & Co.) KGaA, a credit institution incorporated and governed by the laws of Germany, with registered address at Ferdinandstraße 75, 20095 Hamburg, Germany and Auerbach Grayson & Co LLC, 20 West 55th Street New York NY 10019 (the "**Joint Bookrunners**") as joint bookrunners in connection with the Offering. The Joint Bookrunners shall serve as distributors and offers the Offer Shares on a best-effort basis.

In addition, the Issuer has appointed Signet Bank AS, a credit institution incorporated and governed by the laws of Latvia, with registered address at Antonijas iela 3, Rīga,

LV-1010, Latvia as Stabilizing Manager (please see “*Stabilization Measures, Over-Allotments*”).

Sales Agents for the Offering

The Issuer has appointed Orion Securities, UAB FMJ, Bankhaus Scheich Wertpapierspezialist AG and Redgate Capital AS, as sales agents (the “**Sales Agents**”) in connection with the Offering.

Lock-up Agreement

All existing shareholders of the Issuer, as specified in section *XIX. Share Capital, Major Shareholders And Applicable Regulations, 4. Shareholders*, shall be subject to a lock-up agreement (the “**Lock-Up Agreement**”).

Shareholders of the Issuer, which, as at the date of this Prospectus, are neither held by, nor are themselves members of the management bodies of the Issuer, as indicated in the paragraph below, have agreed that for a period starting from the date of signing of the Lock-Up Agreement until the lapse of twenty-four (24) calendar months from the date of the listing and admission to trading of the Shares of the Issuer on the Nasdaq Riga and the Frankfurt Stock Exchange (the “**Shareholder Lock-Up Period**”), the relevant shareholder shall not, without the prior written consent of the Lead Manager (the “**Lead Manager Consent**”) (a) directly or indirectly, offer, sell, contract to sell, exercise any option or contract to sell, grant any option or right to purchase, or otherwise transfer or dispose of any Shares of the Issuer held thereby, or any securities or instruments convertible or exercisable or exchangeable for the Shares of the Issuer; and/or (b) enter into any swap, or other agreement or arrangement that transfers to another, in whole or in part, any of the economic benefit or consequences of the shareholding held thereby in the Issuer (the “**Lock-Up**”).

100% of the Shares held by certain Shareholders of the Company which, as at the date of this Prospectus are, or are held by, members of the management bodies of the Issuer, namely the shareholders Modestas Sudnius, SIA MCAP and SIA TP Legal Services, are subject to a Lock-Up for a period starting from the date of signing of the Lock-Up Agreement until the lapse of twelve (12) calendar months from the date of admission to trading of the Shares of the Issuer on the Nasdaq Riga and the Frankfurt Stock Exchange (the “**Management Lock-Up Period 1**”). For subsequent twelve (12) calendar months, following the end of Management Lock-Up Period 1, two-thirds (2/3) of the Shares held by each of these shareholders will be subject to Lock-Up (the “**Management Lock-Up Period 2**”, together with Management Lock-Up Period 1 the “**Management Lock-Up Periods**”, together with Shareholder Lock-Up Period, the “**Lock-Up Periods**”). These specific conditions applying to Management Lock-Up Periods are contingent upon the continued employment of the respective management team members during the applicable Management Lock-Up Period. Notwithstanding anything to the contrary in the Lock-Up Agreement, if during the Offering, the Upsize Option is not exercised in full or to an extent where a free float of the Issuer’s Shares of about 18% is not reached prior to the listing and admission to trading of all the Shares of the Issuer, on the Nasdaq Riga’s regulated market (Baltic Main List) and the Frankfurt Stock Exchange’s regulated market (Prime Standard), in order to increase market liquidity and free float of the Company’s shares on the Stock Exchanges, the Lead Arranger may, fully or partially release all or some of the non-management minority shareholders of the Issuer, being SIA fianchetto, SIA BCAP Holding, Igors Lavrinovičš and Jūlija Lebedinska – Ļitvinova, from the Lock- in order to increase the free float of the Issuer’s Shares to about 18% or to the highest possible value below 18%.

The Lock-Up Agreement shall not limit the shareholders from lending any shares held in the Issuer to the Lead Manager in accordance with a share lending agreement for the purposes of facilitating the settlement of the Offering.

The Lead Manager shall consider any application for Lead Manager Consent submitted by a shareholder wishing to dispose any Shares (the “**Selling Shareholder**”) in good faith and after consultation with the other Joint Bookrunners. The Lead Manager shall be entitled to withhold its consent on reasonable grounds, among others, if the relevant disposal by the relevant Selling Shareholder might be expected to negatively affect the market price of the Shares, including, without limitation, where such negative effect on the market price of the Shares might be expected to arise due to circumstances relating to the Selling Shareholder or the person acquiring the Shares. Furthermore, the Lead Manager may request the Selling Shareholder to procure as a condition for granting Lead Manager Consent that the person acquiring the Shares executes a Lock-Up Agreement substantially on the same terms as the Selling Shareholder for the remaining term of the Lock-up Period applicable in respect of the relevant Selling Shareholder.

Lead Manager Consent is not required in case (i) the Selling Shareholder disposes any shares of the Issuer to any other existing shareholder of the Issuer who has already entered into the Lock-Up Agreement; (ii) the Selling Shareholder disposes any shares of the Issuer to a related party of such Selling Shareholder (pursuant to the applicable law of the Republic of Latvia) if the person acquiring the Shares executes a Lock-Up Agreement substantially on the same terms as the Selling Shareholder for the remaining term of the Lock-up Period applicable in respect of the relevant Selling Shareholder.

The Lock-Up Agreement, as concluded with each shareholder of the Issuer, shall automatically prematurely terminate with respect to each shareholder on 31 October 2024 if the admission to trading of the Shares of the Issuer on the Nasdaq Riga and the Frankfurt Stock Exchange has not occurred by this date.

Share Lending Agreement

In connection with settlement of the Offering and stabilization, the Issuer, the Lending Shareholder and the Lead Manager have entered into a share lending agreement on 20 September 2024 in order to simplify and expedite the settlement of the Offering. Under the terms of the Share Lending Agreement, the Lead Manager will borrow the necessary number of Offer Shares from the Lending Shareholder, as from 23 September 2023, and will allocate such Offer Shares to investors in accordance with the allocation rules described in section XX. *TERMS AND CONDITIONS OF THE OFFERING, 7. Allocation of the Offer Shares* The net proceeds of the Offering (excluding the Stabilisation Proceeds and the sale of the Upsize Shares, if any) will then be passed to the Issuer and part of them will be used by the Issuer to increase its share capital and issue the respective amount of New Shares to the Lead Manager corresponding to the amount of the borrowed Offer Shares. The Lead Manager will then return the New Shares being equivalent to the Offer Shares borrowed from the Lending Shareholder in accordance with the terms of the Share Lending Agreement.

No fees will apply to the Issuer in relation to share lending and no remuneration of the Lending Shareholder is envisaged under the Share Lending Agreement.

Under the Share Lending Agreement, the Lending Shareholder shall transfer the Offer Shares free and clear of any encumbrances and third-party rights to the securities account of the Lead Manager no later than on 23 September 2024. Following the settlement of the Offering and payment of the subscription price for the New Shares by the Lead Manager to the Issuer, a resolution on the increase of the share capital of the Issuer and the issue of New Shares to the Lead Manager will be adopted by the

Management Board, on the basis of the special authorized capital provisions included in the articles of association of the Issuer. After the adoption of such resolution and the notarial deed acknowledging such resolution, the Issuer will register the New Shares in the name of the Lead Manager. Upon their issuance and subscription, the New Shares shall then be returned by the Lead Manager to the securities account of the Lending Shareholder no later than 3 (three) business days after such New Shares have been credited to the securities account of the Lead Manager, or such longer period as may be agreed between the Lending Shareholder and the Lead Manager. The lending period is therefore expected to have a duration of around 21 calendar days.

If the Offering is cancelled, the Share Lending Agreement shall automatically terminate as of the date following a public announcement of cancellation of the Offering, whereas any obligations of the parties relating to the return of the shares lent by the Lending Shareholder shall continue in force until fulfilled. The Share Lending Agreement may not be unilaterally terminated by any party.

Except for the purposes of the Offering, the Lead Manager shall not sell or otherwise dispose of the shares lent by the Lending Shareholder or any New Shares of the Issuer transferred to either of them in accordance with the Share Lending Agreement, nor exercise any rights attached thereto, including but not limited to voting rights, otherwise than at the express prior written agreement of the Lending Shareholder. During the time when the Lead Manager holds the Shares for the purposes of the Offering, no shareholders' meetings shall be held by the Issuer, and no shareholders' resolutions shall be adopted, unless otherwise agreed by the parties of the Share Lending Agreement in writing.

The Offering is not subject to an underwriting agreement.

11. Admission to Nasdaq Riga and Frankfurt Stock Exchange

The Issuer will, simultaneously with the Offering, apply for the listing and for the admission to trading of the Shares on the Regulated Market of the Nasdaq Riga (Baltic Main List) and the Regulated Market of the Frankfurt Stock Exchange (Prime Standard). The expected date of listing and the admission to trading of the Shares is on or about 16 October 2024.

While every effort will be made and due care will be taken by the Issuer in order to ensure the listing and the admission to trading of the Shares, the Issuer cannot ensure that the Shares are listed and admitted to trading on the Nasdaq Riga's Regulated Market and the Frankfurt Stock Exchange's Regulated Market.

12. Interests of Persons Participating in the Offering

According to the best knowledge of the Issuer, there are no material conflicts of interest pertaining to the Offering and admission of the Shares to trading on the Nasdaq Riga's Regulated Market and the Frankfurt Stock Exchange's Regulated Market.

13. Stabilization Measures, Over-Allotments

The Issuer and the Lending Shareholder have in connection with the Offering authorised Signet Bank AS (the "**Stabilizing Manager**") to instruct AS LHV Pank (the "**Stabilizing Agent**") in the form of a share lending free of charge from the Lending Shareholder to over allocate for the purpose of stabilization the Over-Allotment Shares which will not exceed 15% of the sum of the final number of placed Base Shares. The Over-Allotment Shares bear the same rights as the Base Shares.

The Stabilizing Agent will borrow the Over-Allotment Shares from the Lending Shareholder, in accordance with the provisions of the Share Lending Agreement and subject to the exercise of the Over-Allotment Option, so as to allocate Over-Allotment Shares to investors in accordance with the allocation rules described above. The

Stabilizing Agent will retain the proceeds from the sale of the Over-Allotment Shares (the “**Stabilization Proceeds**”) in order to stabilize the stock market price of the Offer Shares at a level higher than that which would otherwise prevail, in conformity with the applicable law (including the Market Abuse Regulation). In this respect, the Stabilizing Agent, acting in accordance with the Stabilization Strategy and instructions provided by the Stabilizing Manager will have the right to acquire Shares, by using the retained Stabilization Proceeds, on the Nasdaq Riga’s Regulated Market (Baltic Main List), within 30 calendar days as of commencement of trading of the Shares on Nasdaq Riga’s Regulated Market and Frankfurt Stock Exchange’s Regulated Market (Prime Standard), (the “**Stabilization Period**”). Such stabilisation measures may only be taken on the Nasdaq Riga’s Regulated Market during the Stabilization Period. The purchase of Shares at the secondary market may only be effected at a price not exceeding the Offer Price. The Stabilizing Manager will not, however, be required to instruct the Stabilizing Agent to carry out any stabilization actions. If the Stabilizing Manager has instructed the Stabilizing Agent to carry out any such actions, they may be discontinued at any time without prior notice. No assurance can be given that such stabilization actions, if taken, will bring the expected results. The Issuer and the Stabilizing Manager shall proceed to all the necessary notifications for the purposes of the stabilization in accordance with applicable law.

At the end of the Stabilization Period, the Stabilizing Agent will return (i) any Shares it acquired during the Stabilization Period to the Lending Shareholder in order to partly discharge its obligation under the Share Lending Agreement to deliver the borrowed Over-Allotment Shares, and (ii) any remaining Stabilization Proceeds, which were not used for stabilization activities, to the Issuer (net of respective costs). Such proceeds will be used by the Issuer to increase its share capital and issue the respective amount of New Shares to the Stabilizing Agent. When such New Shares have been issued, which will be fungible with the Over-Allotment Shares, the Stabilizing Agent will deliver the New Shares to the Lending Shareholder in order to fully discharge its obligation under the Share Lending Agreement to deliver to the Lending Shareholder the borrowed Over-Allotment Shares.

14. Change to the Offer Price Range and Offer Period

In accordance with the Prospectus Regulation, the Issuer is required to draw up a supplement to the Prospectus in the event of the extension of the Offer Period or any amendment to the Offer Price Range with respect to the Retail Offering. The obligation to register a supplement to the Prospectus may apply if the Offer Period is prolonged. The supplement to this Prospectus will be published after registration thereof in the same way as the Prospectus and its summaries.

Furthermore, in accordance with the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the securities and which arises or is noted between the time the Prospectus is approved and the time the Shares are listed on the Nasdaq Riga’s Regulated Market and the Frankfurt Stock Exchange’s Regulated Market shall be mentioned in a supplement to the Prospectus. All other changes will be disclosed through the electronic information dissemination systems of the Nasdaq Riga, and, to the extent concerning the listing and admission to trading, of the Frankfurt Stock Exchange and at the Issuer’s website: <https://eleving.com/investors/>

In the case that the Issuer is required to publish a supplement to the Prospectus, an investor, who has submitted a Subscription Undertaking in the Retail Offering before the publication of the supplement to the Prospectus, has a right to withdraw within 2 working days (or within another time period as specified in the supplement to this Prospectus) after publication of the supplement to the Prospectus by contacting the

financial institution through which the respective investor submitted the Subscription Undertaking.

15. Return of Funds

If (i) the Offering is cancelled in full, (ii) the final Offer Price is lower than the Maximum Price, (iii) the Subscription Undertaking is rejected or (iv) the allocation is less than the amount of Offer Shares indicated in the duly submitted Subscription Undertaking, the funds blocked on the investor's cash account in excess of the payment for the allocated Offer Shares will be released by the relevant financial institution within five (5) Business Days after the relevant event or settlement occurs.

Regardless of the reason for which funds are released, the Issuer, the Lead Manager and the Joint Bookrunners shall never be liable for the release of the respective funds and for the payment of interest on the released funds for the time they were blocked (if any).

16. Postponement or Cancellation of the Offering

The Issuer has the right to cancel the Offering in full or in part in its sole discretion, at any time until the end of the Offer Period. In particular, the Issuer may decide to cancel the Offering in the part not subscribed for. The reason for postponement or cancellation of the Offering could be, among others, the following circumstances:

- unexpected and significant change in the economic or political situation in Latvia or the world, which may affect the financial markets, the economic situation or the prospects and operations of the Group;
- significant change or development, which affects the general situation, management, financial position, capital or results of operations of the Group;
- insufficient demand for the Offer Shares.

Furthermore, the Issuer has a right to shorten or extend the Offer Period, at any time until the end of the Offer Period.

Any cancellation of the Offering, or the shortening or extension of the Offer Period, will be announced through the electronic information dissemination systems of the Nasdaq Riga (www.nasdaqbaltic.com), the Frankfurt Stock Exchange (www.boerse-frankfurt.de), and through the Issuer's website (<https://eleving.com/investors/>). All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated as of the moment when such announcement is made public, unless otherwise provided for in the Prospectus.

17. Dilution

As at the date of this Prospectus, the number of the Shares of the Issuer is 100,050,000. The number of the New Shares will be up to 18,500,000.

Therefore, the shareholdings in the Issuer existing immediately prior to the Offering will be diluted by up to 79,60% as a result of the Offering (assuming full exercise of the Upsize Option and the Over-Allotment Option and the assumption that existing Shareholders do not subscribe in the course of the Offering for Offer Shares corresponding to their shareholding). For the avoidance of doubt, the Lending Shareholder will therefore also be subject to dilution.

The following table shows the size of the holding of the Shareholders in the Company as at the date of this Prospectus and the assumed size after completion of the Offering (assuming that the Shareholders will not subscribe for additional shares during the Offering and that the Offer Shares are issued in full volume).

Shareholder	As at the date of Prospectus		After completion of the Offering, assuming the sale of all Base Shares (excluding the Over-Allotment Shares and the Upsize Shares)		After completion of the Offering, assuming the sale of all Base Shares and Over-Allotment Shares (excluding the Upsize Shares)		After completion of the Offering, assuming the sale of all Offer Shares (including full exercise of the Over-Allotment Option and Upsize Option)	
	Number of shares	% of votes	Number of shares	% of votes	Number of shares	% of votes	Number of shares	% of votes
AS “ALPPES Capital”	43,691,654	43.67 %	43,691,654	37.36%	43,691,654	36.86%	41,071,465	34.64%
AS Novo Holdings	14,563,759	14.56 %	14,563,759	12.45%	14,563,759	12.28%	13,690,370	11.55%
AS Obelo Capital	14,563,960	14.56 %	14,563,960	12.45%	14,563,960	12.29%	13,690,559	11.55%
SIA EMK Ventures	14,563,960	14.56 %	14,563,960	12.45%	14,563,960	12.29%	13,690,559	11.55%
Modestas Sudnius	3,000,000	3.00%	3,000,000	2.57%	3,000,000	2.53%	2,820,090	2.38%
SIA Mabo Capital	2,500,000	2.50%	2,500,000	2.14%	2,500,000	2.11%	2,350,075	1.98%
SIA fianchetto	2,500,000	2.50%	2,500,000	2.14%	2,500,000	2.11%	2,350,075	1.98%
SIA BCAP Holding	2,000,000	2.00%	2,000,000	1.71%	2,000,000	1.69%	1,880,060	1.59%
SIA MCAP	1,500,000	1.50%	1,500,000	1.28%	1,500,000	1.27%	1,410,045	1.19%
Igors Lavrinovičš	500,000	0.50%	500,000	0.43%	500,000	0.42%	470,015	0.40%
Jūlija Lebedinska - Ļitvinova	416,667	0.42%	416,667	0.36%	416,667	0.35%	391,679	0.33%
SIA TP Legal Services	250,000	0.25%	250,000	0.21%	250,000	0.21%	235,007	0.20%
Total Shareholder Shares	100,050,000	100%	100,050,000	85.55%	100,050,000	84.39%	94,050,000	79.33%
Total Offer Shares	-	-	16,900,000	14.45%	18,500,000	15.61%	24,500,000	20.67%
Total Shares	100,050,000	100%	116,950,000	100%	118,550,000	100%	118,550,000	100%

The Issuer’s consolidated net asset value attributable to equity holders of the Issuer per share is EUR 0.60 as at 30 June 2024 (i.e., corresponding to the consolidated equity value attributable to equity holders of the Issuer and amount of shares of the Issuer at 30 June 2024).

Upon completion of the Offering at the mid-point of the Price Range, the Issuer’s consolidated net asset value attributable to equity holders of the Issuer as at 30 June 2024 (assuming Offering had been completed on 30 June 2024) would amount to EUR 0.74 per share. Thus, the amount by which the Issuer’s consolidated net asset value attributable to equity holders of the Issuer per share is below the Offer Price of EUR 1.73 (based on the mid-point of the Price Range) would be EUR 0.99 (resulting in immediate dilution of 57.12% for investors acquiring Offer Shares in the Offering).

XXI. TAXATION

The tax legislation in force in the jurisdiction of a potential investor, in the Issuer's country of incorporation (i.e., the Grand Duchy of Luxembourg) and in any other relevant jurisdiction may have an impact on the income which may be received from the Shares.

The following section is a description of certain tax consequences under the tax laws of Luxembourg, Estonian, Lithuanian, German and Latvian tax with regard to the acquisition, ownership and sale of the Shares. The following description of the Luxembourg, Estonian, Lithuanian, German and Latvian tax situations is not intended to provide exhaustive information that might be necessary for an individual purchase decision regarding the Shares offered. Only the essential regulations of income taxation are described in an outline. The Issuer points out that the specific tax consequences depend on the personal circumstances of the investors and may be affected by future changes in tax legislation, case law and/or the instructions of the fiscal authority. The description is based on the fiscal law applicable in Luxembourg, Estonia, Lithuania, Germany and Latvia at the time this Prospectus is being produced. These laws may change with retroactive effect as well. The specific tax treatment of the purchase, ownership or sale of the Shares is thus only governed by the tax laws applicable in the individual case at any time in the respective interpretation by the fiscal authority and the fiscal courts. It cannot be ruled out that the interpretation by a tax authority or a fiscal court is different from the explanations shown here. Although the following explanations reflect the assessment by the Issuer, they may not be misinterpreted as tax advice or a guarantee. Tax advice cannot be replaced by these explanations and is therefore strongly recommended.

1. Taxation in Estonia

For the purpose of this paragraph, a "resident individual" refers to a private individual who is considered an Estonian resident for income tax purposes under Estonian laws and any applicable double taxation agreement, as outlined below.

Under Estonian laws, a resident individual is a private individual whose place of residence is Estonia or who stays in Estonia for at least 183 days over the course of twelve consecutive calendar months. Additionally, Estonian diplomats serving abroad are also considered Estonian residents for tax purposes.

If a private individual qualifies as a tax resident under both Estonian law and the domestic law of another country, their tax residency is determined by applying the double taxation agreement between Estonia and the respective country, if such agreement exists.

For the purpose of this paragraph, a "resident entity" refers to a legal person that is considered an Estonian resident for tax purposes under Estonian laws and any applicable double taxation agreement.

Under Estonian laws, a resident entity is primarily a tax resident in Estonia if it is established pursuant to Estonian laws. Additionally, European public limited companies and European associations with their seat registered in Estonia are also considered tax residents in Estonia.

"Non-resident individual" and "non-resident entity" in this section refer to all private individuals and legal persons that do not qualify as a resident individual or resident entity under Estonian laws.

Dividend income of Shareholder

Estonian resident individuals do not pay personal income tax on dividends received from a foreign legal entity, provided that the underlying profits from which the dividends are paid have been subject to foreign corporate income tax or if income tax was withheld from the respective dividend.

Estonian resident entities do not pay corporate income tax (CIT) upon receiving dividends. Instead, they pay CIT at a rate of 20% (calculated as 20/80 of the net amount) only when they distribute profits to their shareholders. Profit distributions include dividends, liquidation proceeds, share buy-backs, capital reductions, certain loans issued to a shareholder or partner, and deemed profit distributions such as transfer pricing adjustments and business non-related expenses.

A reduced CIT rate of 14% (calculated as 14/86 of the net amount) applies when Estonian resident entities make regular profit distributions, provided the dividends paid are equal to or less than the taxed dividends paid during the three preceding years. Certain CIT exemptions might be applicable for the further distribution of profits to shareholders of an Estonian resident entity.

Capital gains of Shareholders

Estonian resident individuals pay personal income tax (PIT) of 20% on capital gains from the disposal or exchange of shares. Capital losses can be offset against capital gains. Similarly to Latvia, a tax-exempt investment account scheme is available for Estonian resident individuals, allowing them to defer the taxation of investment income and capital gains derived from qualified securities. Under certain conditions, individuals can reinvest this income without paying any income tax.

Estonian resident entities do not pay corporate income tax (CIT) on capital gains upon receipt. General CIT principles apply to the income of Estonian resident entities from the disposal of a shareholding. Specifically, Estonian resident entities pay CIT of 20% (calculated as 20/80 of the net amount) or, in certain cases, 14% (calculated as 14/86 of the net amount) only when profits are distributed to shareholders. No tax is levied upon the accrual of income.

Other taxes

No transfer tax, value-added tax, stamp duty, or similar taxes are imposed on the purchase, sale, or other transfer of shares. Additionally, there is no net wealth tax applied in Estonia.

2. Taxation in Latvia

A "resident individual" in this context refers to a private person who is considered a Latvian tax resident according to Latvian law and any relevant double taxation agreement, as specified below.

According to Latvian laws, a resident individual is a private person who either has a declared place of residence in Latvia, is present in Latvia for 183 days or more within any twelve-month period, or is a Latvian citizen employed abroad by the Latvian government.

Whenever a private individual qualifies as a tax resident under both Latvian laws and the laws of other jurisdictions, their tax residency is determined by the double taxation agreement between Latvia and the respective country. The individual is considered a resident of the country where they have a permanent home available. If they maintain permanent homes in both countries, they are deemed a resident of the country with

which their personal and economic relations are closer (centre of vital interests). If the centre of vital interests cannot be determined, or if they have no permanent home in either country, they are considered a resident of the country where they have a habitual abode. If the individual has a habitual abode in both countries or in neither, they are deemed a resident of the country of which they are a national. If the individual is a national of both countries or neither, the competent authorities of both countries will settle the matter by mutual agreement.

A "resident entity" under this section refers to a legal person that is considered a Latvian tax resident according to Latvian laws and any applicable double taxation agreement.

Under Latvian laws, a resident entity is primarily considered a Latvian resident if it is established and registered in Latvia, or if it should have been established and registered in Latvia according to Latvian laws due to the performance of certain activities in Latvia.

A permanent establishment is treated as a regular taxpayer in Latvia. Whenever a non-resident entity performs any activity in Latvia, it should be evaluated whether such activity creates a permanent establishment under Latvian laws and any applicable double taxation agreement.

"Non-resident individual" and "non-resident entity" in this section refer to all private individuals and legal persons that do not qualify as a resident individual or resident entity under Latvian laws.

Dividend income of Shareholder

Resident entities do not pay corporate income tax upon receipt of dividends. The tax is not paid distributing the dividends further to shareholder of the entity.

Resident individuals do not pay personal income from dividends if dividends are distributed by a capital company registered in the European Economic Area.

Capital gains of shareholder

A personal income tax rate of 20% applies to capital gains earned by resident individuals from selling shares. Capital gains are calculated as the difference between the sale price and the acquisition value of the asset.

The payment and reporting of personal income tax on these gains depend on the amount and can be done on a monthly, quarterly, or annual basis. Losses incurred from the sale of assets within a tax year may be offset against income from the sale of other similar assets within the same tax year.

Capital gains from the sale of shares owned by a resident entity are exempt from corporate income tax, regardless of the percentage of shareholding or the holding period. However, the holding period of the shares may impact the taxation of subsequent profit distributions by the resident entity to its shareholders.

Other taxes

No transfer tax, value-added tax, stamp duty, or similar taxes are imposed on the purchase, sale, or other transfer of shares. Additionally, there is no net wealth tax applied in Latvia.

3. Taxation in Lithuania

For the purpose of this section, a "resident individual" refers to a private individual who is considered a Lithuanian resident for income tax purposes under Lithuanian laws and any applicable double taxation agreement, as outlined below.

Under Lithuanian laws, a resident individual is a private individual: a) whose permanent place of residence during the tax period is in Lithuania, b) whose personal, social, or economic interests during the tax period may be considered to be in Lithuania rather than in a foreign country, c) who stays in Lithuania, continuously or intermittently, for 183 or more days during the tax period, d) who stays in Lithuania, continuously or intermittently, for 280 or more days during a number of successive tax periods and who, during one of such periods, stayed in Lithuania, continuously or intermittently, for 90 or more days, e) who is a Lithuanian citizen residing outside Lithuania and receives remuneration for work and has the costs of living in another country covered from the state or municipal budgets of Lithuania.

For the purpose of this section, a "resident entity" refers to a legal person that is considered a Lithuanian resident for tax purposes under Lithuanian laws and any applicable double taxation agreement. Under Lithuanian laws, a resident entity is primarily a tax resident in Lithuania if it is incorporated in Lithuania or its activities create a permanent establishment in Lithuania for tax purposes. "Non-resident individual" and "non-resident entity" refer to all private individuals and legal persons that do not qualify as a resident individual or resident entity under Lithuanian laws.

Dividend income of Shareholder

Dividends distributed by the Issuer to Lithuanian resident individuals or entities are not subject to withholding tax in Lithuania. The Issuer pays corporate income tax upon profit distribution to its shareholders, which is not a withholding tax.

Lithuanian resident individuals pay an income tax of 15% on received dividends. Lithuanian resident entities pay corporate income tax on profits, including passive income such as dividends. Taxable income is calculated by reducing the general income of a specific tax period with deductible expenses and non-taxable income. The general corporate income tax rate is 15%. A reduced rate of 5% applies to corporate profits of small companies that meet certain criteria. Newly established small companies may be subject to a corporate income tax rate of 0% for the first year of activity, provided that certain conditions are met.

Dividends received by a Lithuanian resident entity for shares, share capital, or other rights held by or assigned to it by a foreign taxable entity registered or organized within the European Economic Area, and whose profits are subject to corporate income tax or a similar tax, are tax-exempt in Lithuania.

Capital gains of shareholder

Lithuanian resident individuals pay personal income tax at rates of 15% or 20% (15% on income up to 120 average salaries annually, and 20% on amounts exceeding this threshold). Certain capital gains are tax-exempt, including: a) capital gains from the disposal of property not exceeding EUR 2,500 in a taxation period, and b) capital gains from the disposal of financial instruments not exceeding EUR 500 per taxation period, with certain exceptions.

Lithuanian resident entities pay corporate income tax on profits, including capital gains. General corporate income tax principles apply to the income of Lithuanian resident

entities from the sale of shareholding, as outlined in the dividend taxation section above.

Capital gains derived from the transfer of shares in a company incorporated in the European Economic Area or in a country with which Lithuania has a valid double taxation agreement, and that pays corporate income tax or a similar tax in its country of residence, are tax-exempt in Lithuania if the following conditions are met: the Lithuanian resident entity holds more than 10% of voting shares for a) a continuous period of at least two years, or b) upon reorganization, a continuous period of at least three years.

Other taxes

No transfer tax, value-added tax (VAT), stamp duty, or similar taxes are imposed on the purchase, sale, or transfer of shares. Additionally, Lithuania does not levy a net wealth tax.

4. Taxation in the Grand Duchy of Luxembourg

Taxation of the Issuer

The Issuer will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

Luxembourg Corporate Income Tax

The Issuer will be liable for Luxembourg corporation taxes. The current standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 24.94%. Liability for such corporation taxes extends to the Issuer's worldwide profits including capital gains, subject to the provisions of any relevant double taxation agreement and the tax exemptions for qualifying participations provided by the Article 166 of the Luxembourg income tax law. The taxable income of the Issuer is computed by application of all rules of the Luxembourg income tax law of December 4, 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented on and currently applied by the Luxembourg tax authorities. The Issuer be able to benefit from double taxation treaties and European directives on income tax matters.

Net Wealth Tax

The Issuer is fully subject to the annual net wealth tax charge (*impôt sur la fortune*) which amounts to 0.5% of the net asset value of the Issuer on a net asset value up and including €500,000,000. In case the net asset value of the Issuer exceeds €500,000,000, any amount in excess of said threshold will be subject to net wealth tax at a rate of 0.05%. Certain assets (such as qualifying participations) might be excluded from the net asset value for the purposes of the net wealth tax computation, provided that the provisions of paragraph 60 of the valuation law of October 16, 1934, as amended (BewG) are met. Under certain conditions, the Issuer could be exempt from wealth tax on certain assets, such as qualifying participations under the Luxembourg participation exemption regime.

However the Issuer will in any case be subject to (a) a minimum net wealth tax of EUR 4,815, if it holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90 per cent of their total balance sheet value and if the total balance sheet value exceeds EUR 350,000, or (b) a minimum net wealth tax between

EUR 535 and EUR 32,100 based on the total amount of its assets. Items (e.g., real estate properties or assets allocated to a permanent establishment) located in a treaty country, where the latter has the exclusive taxation right, are not considered for the calculation of the 90 per cent threshold.

On May 23, 2024, the Luxembourg government published draft law n°8388 aiming to adapt the existing minimum NWT regime following a judgment of the Luxembourg Constitutional Court which considers that the current regime is partially unconstitutional. Under the draft law, as from tax year 2025, the NWT would be EUR 535 for balance sheets up to and including EUR 350,000, EUR 1,605 for amounts exceeding EUR 350,000 and EUR 2 million and EUR 4,815 for balance sheets exceeding EUR 2 million. The approval of the draft law is still pending.

Other taxes

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75 is payable at the moment that the Articles of Association are amended.

Taxation of the Shareholders

The tax legislation of the investor's tax residence and of the Issuer's country of incorporation may have an impact on the income received from the Offer Shares. The following summary contains a description of certain material Luxembourg income tax consequences of the purchase, ownership and disposition of the Offer Shares as at the date of this Prospectus but does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Offer Shares. It does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Luxembourg. It is based on Luxembourg tax law in force and applied in Luxembourg at the date of this prospectus. The law upon which this summary is based may be subject to changes, possibly with retroactive effect.

Prospective purchasers of Offer Shares should consult their own tax advisers as to Luxembourg, or other applicable laws as to the tax consequences of the ownership and disposition of the Offer Shares, including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual shareholders. Non-residents of Luxembourg for tax purposes will have to comply with applicable tax laws of their state of residence and, as the case may be, the applicable double taxation agreement entered into between Luxembourg and such state.

Luxembourg Taxation

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as net wealth tax and the solidarity surcharge invariably apply to most corporate taxpayers, resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an

individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg Tax Residency of Shareholders

A shareholder will not become resident, or be deemed to be resident, in Luxembourg by reason only of the acquisition, holding, sale or disposal of Offer Shares.

Luxembourg Withholding Tax on Dividends Paid on Offer Shares

A 15% withholding tax will be due in Luxembourg on distribution paid by the Issuer to its shareholders unless the domestic withholding tax exemption regime or a withholding tax reduction or exemption under a double tax treaty concluded by Luxembourg applies. Liquidation proceeds will not be subject to withholding taxes. Should any withholding taxes be payable on amounts paid by the Issuer, the Issuer assumes responsibility for the withholding of Luxembourg taxes at the source.

Luxembourg-resident Holders of Offer Shares

Luxembourg-resident Individuals

Dividends and other payments derived from the Offer Shares by a resident individual holder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to personal income tax at the progressive ordinary rates (the top marginal tax rate is 42%), plus an unemployment fund contribution levied thereon at the rate of up to 9%. Such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg income tax law, subject to fulfilment of the conditions set out therein.

Capital gains realized upon the disposal of the Offer Shares by a resident individual holder, who acts in the course of the management of his/her private wealth, are not subject to personal income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to personal income tax at ordinary rates if the Offer Shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual holder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the Issuer whose Offer Shares are being disposed of. A holder is also deemed to alienate a substantial participation if he/she acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation. Taxable gains are defined as being the difference between the price for which the Offer Shares have been disposed of and the lower of their cost or book value.

Luxembourg-resident Companies

Luxembourg resident corporate holders of Offer Shares will be subject to corporation taxes at the rate of 24.94% (for entities having their registered office in Luxembourg-

City) on dividend distributions made by the Issuer and the gains received upon disposal of the Offer Shares unless a tax exemption pursuant to the provisions of the Article 166 of the Luxembourg income tax law or the Grand-ducal decree dated December 21, 2001 applies or unless the shareholders benefit from a special tax regime such as undertakings for collective investment subject to the law of December 17, 2010, as amended, specialized investment funds subject to the law of February 13, 2007, as amended, investment companies in risk capital subject to the law of June 15, 2004, as amended, or family wealth management companies subject to the law of May 11, 2007, as amended, or reserved alternative investment funds subject to the law of July 23, 2016.

Non-Resident Holders of Offer Shares

Dividends received by an individual non-resident holder or by a corporate non-resident holder whose Offer Shares are not effectively connected with a Luxembourg permanent establishment will not be subject to Luxembourg income tax.

Capital gains arising upon disposal of Offer Shares by a non-resident individual or corporate holder of Offer Shares who is a non-Luxembourg holder of the shares who realizes a gain on disposal thereof (and who does not have a permanent establishment in Luxembourg to which Offer Shares are attributable) and who is not resident in a country which has concluded a double taxation agreement with Luxembourg which allocates the right of taxation to the country of residence of the holder, will only be subject to Luxembourg taxation if such holder has (either alone or together with his or her spouse and underage children) directly or indirectly held more than 10% of the capital of Issuer at any time during the past five years, and either (i) the disposal of Offer Shares occurs before their acquisition or within six months from their acquisition, or (ii) such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the 5 years preceding the realization of the gain.

A corporate non-resident holder (that is an entity within the meaning of Article 159 of the Luxembourg income tax law), which has a permanent establishment in Luxembourg to which Offer Shares would be attributable, will bear corporate income tax and municipal business tax on (i) dividends received unless dividends are exempt under Article 166 of the Luxembourg income tax law and (ii) on capital gains realized on a disposal of such Offer Shares unless such capital gains are exempt under Article 166 of the Luxembourg income tax law and the Grand Ducal Decree of January 21, 2001, as amended.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of Offer Shares, unless (i) such holder is a Luxembourg fully taxable resident company or (ii) such Offer Shares are attributable to an enterprise or part thereof which is carried on through a Luxembourg permanent establishment by a non-resident company. We refer to the net wealth tax considerations above under the section "Taxation of the Issuer".

Holders of Offer Shares may be exempt from net wealth tax subject to the conditions set forth in Article 60 of the Law of October 16, 1934 on the valuation of assets, as amended.

A Luxembourg resident as well as a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Offer Shares are attributable, are subject to Luxembourg net wealth tax on such Offer Shares, except if the holder of the Offer Shares is (i) a resident or non-resident individual taxpayer, (ii) a securitization company governed by the amended law of March 22, 2004 on

securitization, (iii) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (iv) a professional pension institution governed by the amended law dated July 13, 2005, (v) a specialized investment fund governed by the amended law of February 13, 2007, (vi) a family wealth management company governed by the amended law of May 11, 2007, (vii) an undertaking for collective investment governed by the amended law of December 17, 2010 or (viii) a reserved alternative investment fund governed by the amended law of July 23, 2016.

However, (i) a securitization company governed by the amended law of March 22, 2004 on securitization, (ii) an opaque venture capital company subject to the amended law of June 15, 2004 (iii) a professional pension institution governed by the amended law dated July 13, 2005 and (iv) an opaque reserved alternative investment fund treated as a venture capital vehicle governed by the amended law of July 23, 2016 remain subject to the minimum net wealth tax.

Other Taxes

No registration tax will be payable by a holder of Offer Shares upon the disposal of Offer Shares by sale or exchange, unless they are recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

Luxembourg inheritance tax may be levied on the transfer of Offer Shares upon the death of a Luxembourg resident holder.

No inheritance tax is levied on the transfer of the Offer Shares upon the death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Luxembourg gift tax will be levied in the event that a gift of Offer Shares is made pursuant to a notarial deed signed before a Luxembourg notary.

VAT

If the activities of the Issuer do not exceed a mere holding activity, the Issuer should not be able to register for value added tax, (VAT), purposes in Luxembourg and any VAT suffered by the Issuer will, in principle, be final and irrecoverable.

In case the Issuer provides services that are subject to VAT, it would have to register for VAT purposes in Luxembourg and it will be allowed to recover all or only a portion of the VAT incurred on its costs.

5. Taxation in Germany

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares in the Issuer. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders of the Issuer. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders of the Issuer to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares of the Issuer and what procedures are necessary to secure the repayment of German

withholding tax (*Kapitalertragsteuer*), if possible. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual shareholders.

Taxation of Shareholders Tax Resident in Germany

Taxation of Dividend Income

Shares held as Non-Business Assets

Dividends received by a shareholder who is subject to an unlimited tax liability in Germany and holds his or her shares as non-business assets are, as a general rule, taxed as capital investment income (*Einkünfte aus Kapitalvermögen*) and, as such, subject to a 25% flat tax plus 5.5% solidarity surcharge thereon resulting in an aggregate tax rate of 26.375% ('flat tax regime', *Abgeltungsteuer*), plus church tax, if applicable.

If the shares are held in a custodial account with a German resident credit institution, financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including in each case a German branch of such foreign institution), a securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a securities trading bank (*inländische Wertpapierhandelsbank*) (the "**German Disbursing Agent**") (*inländische auszahlende Stelle*) the German Disbursing Agent generally withholds German tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) on the gross amount of the dividends paid by the Issuer. However, the German Disbursing Agent must reduce the amount of the German withholding tax by the amount of tax withheld in Luxembourg. The German tax resident individual's personal income tax liability with respect to dividends is generally satisfied through the withholding. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). Shareholders who are subject to an unlimited tax liability in Germany and hold their shares as non-business assets may provide to the German Disbursing Agent either a non-assessment certificate (*Nichtveranlagungsbescheinigung*) issued by their competent local tax office or an exemption declaration (*Freistellungsauftrag*) in the maximum amount of the saver's allowance (*Sparer-Pauschbetrag*) of EUR 1,000 (or, for couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly, EUR 2,000).

Shareholders may be liable for church tax, which is generally deducted by way of withholding by the German Disbursing Agent, unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). Where church tax is not levied by way of withholding, it is determined by means of an income tax assessment.

If and to the extent funds from the tax contribution account (*steuerliches Einlagekonto*) are declared to be used for the distribution, the distribution is generally not taxable and, therefore, not subject to withholding tax or income tax (including solidarity surcharge and church tax if applicable), however provided that the Issuer applies for a special assessment procedure with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) and subject to further prerequisites.

The individual shareholder is taxed on his or her aggregate capital investment income, less the saver's allowance. Income-related expenses are not tax-deductible. Private investors can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible.

Further, in such a case, tax withheld in Luxembourg can (to the extent of the applicable treaty rate) generally be credited against the German tax liability on the Luxembourg dividends received by the German tax resident individual. The current double tax treaty between Germany and Luxembourg does not provide for a reduction of Luxembourg withholding tax on dividends for individuals below the 15% Luxembourg domestic withholding tax rate.

Individual shareholders who privately hold, directly or indirectly, an interest of at least 25% in the Issuer, and shareholders who privately hold, directly or indirectly, at least 1% in the Issuer and work for the Issuer, and thereby are able to exert a significant influence on the companies economic activity, may, in principle, elect an exemption from the flat tax regime. In this case, 60% of the dividends paid to the shareholder are subject to income tax according to the applicable rate plus solidarity surcharge (plus church tax, if any, for which, however, the 40% tax exemption does not apply) thereon. Expenses incurred in connection with dividend income are then generally 60% tax-deductible. The levied withholding tax is offset against the income tax and any excess withholding tax is refunded.

Shares held as Business Assets

If the shares form part of a German business (including a German permanent establishment of a foreign business investor), the taxation of dividends differs depending on whether the shareholder is a corporation, a sole proprietor or a partnership. The flat tax regime does not apply to dividends paid on shares held by a German tax resident shareholder as business assets.

Corporations

For corporations subject to an unlimited corporate income tax liability in Germany, dividends are, as a general rule, effectively 95% tax exempt from corporate income tax (including solidarity surcharge). 5% of the dividend income is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge. However, dividends received by a shareholder holding a participation of less than 10% in the share capital of the Issuer at the beginning of the calendar year (a “**Portfolio Participation**”) (*Streubesitzbeteiligung*) are not exempt in the amount of 95% from corporate income tax (including solidarity surcharge thereon). Participations of at least 10% acquired during a calendar year are deemed to be acquired at the beginning of the calendar year. Participations held through a partnership that is a partnership being engaged or deemed to be engaged in a business (“**Co-Entrepreneurship**”) (*Mitunternehmerschaft*) are attributable to the shareholders pro rata in the amount of their participations. Distributions that are made using funds from the tax contribution account (*steuerliches Einlagekonto*) are generally, subject to certain prerequisites, not taxable.

For trade tax purposes, dividends paid by a corporation resident outside of Germany are only exempt as described above if the entity that is receiving the dividends held a stake of at least 15% in the share capital of the relevant corporation at the beginning of the assessment period. Otherwise, the dividends will be fully subject to trade tax.

Tax withheld on the dividends in Luxembourg is generally not creditable against the corporate income tax liability of the corporate shareholder in Germany. However, it should (to the extent of the applicable treaty rate) generally be creditable against corporate income tax imposed on Luxembourg capital investment income to the extent it relates to dividends from Portfolio Participations.

Even if the Shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax on dividends paid by the Issuer to a corporate shareholder.

Sole proprietors (individuals)

Where the Shares are held as business assets by an individual who is subject to unlimited tax liability in Germany, 60% of the dividends are taxed at the applicable individual income tax rate plus 5.5% solidarity surcharge on such income tax ('partial income taxation method', *Teileinkünfteverfahren*), plus church tax, if applicable. Correspondingly, only 60% of any business expenses related to the dividends may be deducted for income tax purposes. Dividends are fully subject to trade tax, unless the sole proprietor holds at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period. In this case, the net amount of the dividend (i.e. after deduction of the business expenses directly connected to it) is exempt from trade tax. In general, business expenses are deductible for trade tax purposes but certain restrictions may apply. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder. Distributions that are made using funds from the tax contribution account (*steuerliches Einlagekonto*) are generally, subject to certain prerequisites, not taxable.

Tax withheld in Luxembourg should (to the extent of the applicable treaty rate) be creditable against the German personal income tax liability with respect to the dividend income.

If the shares are held in a custodial account with a German Disbursing Agent, the German Disbursing Agent is not obliged to withhold German tax on dividends paid by the Issuer provided that the individual certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

Partnerships

If the shareholder is a Co-Entrepreneurship, the individual income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above under "Corporations" and "Sole proprietors (individuals)" apply accordingly. Trade tax, however, is assessed and levied at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany; this applies irrespective of whether the dividends are attributable to individual partners or corporate partners. Distributions that are made using funds from the tax contribution account (*steuerliches Einlagekonto*) are generally, subject to certain prerequisites, not taxable.

Due to a lack of case law and administrative guidance, it is currently unclear how the rules for the taxation of dividends from Portfolio Participations (see "Corporations" above) might impact the trade tax treatment at the level of the partnership. Shareholders are strongly advised to consult their individual tax advisors. The trade tax paid by the partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax on a lump-sum basis.

The creditability of the tax withheld in Luxembourg against the German corporate or personal income tax depends on whether the partner is a corporation or an individual. If the partner is a corporation, the principles explained for corporations above apply (see "Corporations" above). If the partner is an individual, the principles explained for individuals above apply (see "Sole proprietors (individuals)" above).

If the shares are held in a custodial account with a German Disbursing Agent, no German withholding tax arises provided that the partnership certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

Taxation of Capital Gains

Shares held by Individual Shareholders as Non-Business Assets

Capital gains from the sale of shares which an individual shareholder holds as non-business assets are generally subject to a 25% flat tax (plus 5.5% solidarity surcharge thereon, resulting in an aggregate withholding tax rate of 26.375%), plus church tax, if applicable. Losses from the sale of such shares can only be used to offset capital gains from the disposal of shares in stock corporations during the same year or in subsequent years. The amount of the taxable capital gain from the sale is the difference between (a) the proceeds from the sale and (b) the cost of acquisition of the shares and the expenses directly related to the sale. Income-related expenses may not be deducted from capital gains. If the shares are deposited with or administered by a German Disbursing Agent, the tax on the capital gains is generally settled by way of withholding through the German Disbursing Agent which is required to deduct a withholding tax of 26.375% (including solidarity surcharge), plus church tax, if applicable, of the capital gains from the sale proceeds and remit it to the tax authority. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable).

If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder's legal predecessor, directly or indirectly held at least one percent of the share capital of the Issuer at any time during the five years preceding the sale of shares (a "**Qualified Participation**"), the flat tax regime does not apply and, rather, 60% of any capital gain resulting from the sale is taxable as business income at the shareholder's individual income tax rate plus 5.5% solidarity surcharge (and church tax, if applicable) on such income tax. Conversely, 60% of a capital loss from the disposal of the shares is generally recognized for tax purposes. Withholding tax is also deducted by a German Disbursing Agent in the case of a Qualified Participation, but this does not have the effect of a settlement of the shareholder's tax liability. Upon the shareholder's assessment to income tax, the withheld and remitted tax is credited against the individual income tax liability. To the extent that the amounts withheld exceed the individual income tax liability of the shareholder, they will be refunded.

Shares held as Business Assets

Gains on the disposal of shares held by an individual or corporation as business assets are in principle not subject to the 25% flat tax plus 5.5% solidarity surcharge thereon (and church tax, if applicable). Withholding tax must only be withheld in the case of a German Disbursing Agent. The tax withheld, however, is not considered to be final as under the flat tax regime. The amount of tax withheld is credited against the shareholder's individual or corporate income tax liability and any amounts withheld in excess of such individual or corporate income tax liability will be refunded. Even if the shares are held in a custodial account with a German Disbursing Agent, there is

generally no German withholding tax (i) in the case of a corporate shareholder, or (ii) if the shareholder holds the shares as assets of a business in Germany and certifies this on an officially prescribed form to the German Disbursing Agent. If a German Disbursing Agent nonetheless withholds tax on capital gains, the tax withheld and remitted (including solidarity surcharge, and church tax, if applicable) will be credited against the individual income tax or corporate income tax liability and any excess amount will be refunded.

The taxation of capital gains from the disposal of shares held as business assets depends on whether the shareholder is a corporation, a sole proprietor or a partnership.

Corporations

For corporations subject to an unlimited corporate income tax liability in Germany, capital gains from the sale of shares are, as a general rule and currently irrespective of any holding period or percentage level of participation, effectively 95% exempt from corporate income tax (including solidarity surcharge) and trade tax. 5% of the capital gains is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge; business expenses actually incurred in connection with the capital gains from a tax perspective are generally tax-deductible. Losses from the sale of shares and other reductions in profit in connection with the shares are generally not deductible for corporate income tax and trade tax purposes. Capital gains are, irrespective of the percentage level of shareholding, effectively 95% exempt from trade tax.

Sole proprietors (individuals)

60% of capital gains from the sale of shares are taxed at the individual income tax rate plus 5.5% solidarity surcharge (plus church tax, if applicable) on such income tax where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany. Correspondingly, only 60% of the capital losses, other reductions in profit in connection with the shares and business expenses resulting from a share sale may be deducted for income tax purposes. Only 60% of the capital gains are subject to trade tax. Correspondingly, subject to general restrictions, only 60% of the business expenses resulting from a share sale may generally be deducted for trade tax purposes. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

Partnerships

If the shareholder is a Co-Entrepreneurship, the individual income tax or corporate income tax is not charged at the level of the partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above under "Corporations" or "Sole proprietors (individuals)" apply accordingly. Trade tax, however, is assessed and levied at the level of the partnership if the shares are attributable to a permanent establishment of a commercial business of the partnership in Germany. Generally, 60% of a capital gain attributable to an individual partner and 5% of a capital gain attributable to a corporate partner are taxable. Capital losses or other reductions in profit in connection with the shares sold are not taken into account for purposes of trade tax to the extent they are attributable to a partner that is a corporation, and subject to general restrictions only 60% of these

losses or expenses are taken into account to the extent they are attributable to a partner who is an individual.

The trade tax paid by the partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax in accordance with such lump-sum method.

Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

As an exception to the aforementioned rules, dividends paid to, and capital gains realized by, certain companies in the financial and insurance sector are fully taxable. The aforementioned exclusions of (partial) tax exemptions for corporate income tax and trade tax purposes shall only apply to shares which, in the case of credit institutions and financial services institutions, are to be allocated to the trading portfolio (*Handelsbestand*) within the meaning of the German Commercial Code (*Handelsgesetzbuch*). In case of finance companies, the aforementioned exclusions of (partial) tax exemptions shall only apply to shares held by finance companies where (i) credit institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in the respective finance company, and (ii) where the finance company must disclose the shares as current assets (*Umlaufvermögen*) as of the time they are initially recognized as business assets. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent Subsidiary Directive applies. In addition, relief of withholding tax may be available under an applicable double taxation treaty, subject to certain prerequisites, e.g., substance requirements and holding periods, being met.

Taxation of Shareholders not Tax Resident in Germany

Taxation of Dividend Income

Shareholders who are not tax resident in Germany are only subject to taxation in Germany in respect of their dividend income if their Shares form part of the business assets of a permanent establishment or a fixed place of business in Germany, or constitute business assets for which a permanent representative has been appointed in Germany. In general, the situation described above for shareholders tax resident in Germany who hold their shares as business assets applies accordingly. The withholding tax, if any, deducted and remitted to the tax authorities (including solidarity surcharge) is either credited against the individual income tax or corporate income tax liability or refunded in the amount of an excess of such liability.

Taxation of Capital Gains

Capital gains from the disposal of shares by a shareholder not tax resident in Germany are only taxable in Germany if the selling shareholder holds the shares through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany. In such a case, the description above for German tax resident shareholders who hold their shares as business assets applies accordingly.

Amendments to the Solidarity Surcharge (Solidaritätszuschlag)

The solidarity surcharge has been partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge shall, however, continue to apply for capital investment income and, thus, on withholding taxes levied. In case the individual income tax burden for an individual shareholder is lower than 25% the shareholder can apply for his/her capital investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded.

German Controlled Foreign Corporation Rules (Außensteuergesetz)

A German resident investor (natural persons or legal entities) may be subject to the German CFC rules *Hinzurechnungsbesteuerung*) pursuant to the German Foreign Tax Act (*Außensteuergesetz*) to the extent that the income of the Issuer qualifies as (low taxed) passive income (*Zwischeneinkünfte*) for German CFC rules purposes provided that the German resident investor dominates the Issuer within the meaning of the German Foreign Tax Act. Such domination is to be assumed if more than half of the voting rights or more than half of the shares in the nominal capital in the Issuer are directly or indirectly attributable to a German resident investor alone or together with related parties or if the German resident investor is entitled to more than half of the profit or liquidation proceeds of the Issuer. The effective low tax rate in the sense of German CFC rules is currently set at 15%.

Irrespective of a domination of the Issuer by a German resident investor, a German resident investor may become subject to the German CFC rules to the extent that the income of the Issuer qualifies as low taxed passive capital investment income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) provided that gross earnings, on which the passive capital investment income are based on, make up more than 10% of the entire gross earnings of all passive income of the Issuer in the respective fiscal year. In the case of a shareholding of a German resident investor of less than 1%, however, this only applies if the income of the Issuer consists exclusively or almost exclusively of passive capital investment income and the main class of shares of the foreign company is not traded substantially and regularly on a stock exchange in a member state of the European Union or in a state party to the EEA Agreement or on a stock exchange that is authorized by the Federal Financial Supervisory Authority in another state in accordance with Section 193 (1) sentence 1 numbers 2 and 4 of the German Investment Code (KAGB).

In any case, in either of the aforementioned situations German CFC rules may not result in an income attribution for German tax purposes to the extent that the German resident investor is able to evidence to the German tax authorities that the Issuer carries out an actual business in Luxembourg.

Inheritance and Gift Tax

The transfer of shares to another person upon death or as a gift is generally subject to German inheritance or gift tax in the following circumstances:

- (i) the place of residence, customary place of abode, place of management or registered office of the testator, the donor, the heir, the donee or another acquirer is, at the time of the asset transfer, in Germany, or such person, as a German national, has not spent more than five consecutive years outside Germany without having a place of residence in Germany (this term is extended to ten years for German expatriates with U.S. residence); or
- (ii) the testator's or donor's shares were part of business assets for which there was a place of business in Germany or for which a permanent representative was appointed.

The small number of double taxation treaties regarding inheritance and gift tax that Germany has concluded to date generally provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, in the cases under (ii). Special arrangements apply to certain German nationals and former German nationals living outside Germany.

Other taxes

No German capital transfer taxes, value-added-tax, stamp duties or similar taxes are currently levied on the purchase or disposal or other forms of transfer of the shares. However, an entrepreneur may opt to subject disposals of shares, which are in principle exempt from value-added-tax, to value-added-tax if the sale is made to another entrepreneur for the entrepreneur's business and does not constitute a sale of a business as a whole. Wealth tax is currently not levied in Germany.

Notification obligation for foreign relationships

Shareholders tax resident in Germany are obliged to notify the tax office responsible for their income taxation of the acquisition or disposal of shareholdings in a corporation, association of persons or asset pool with its registered office and management outside of Germany if (i) this results in a shareholding of at least 10 percent of the capital or assets of the corporation, association of persons or asset pool or (ii) the total acquisition costs of all shareholdings exceed EUR 150,000. This does, however, not apply to the acquisition and sale of holdings of less than 1% of the capital or assets of a corporation if the main class of shares of the foreign company is traded substantially and regularly on a stock exchange in a member state of the European Union or in a state party to the EEA Agreement or on a stock exchange that is authorized by the Federal Financial Supervisory Authority in another state in accordance with Section 193 (1) sentence 1 numbers 2 and 4 of the German Investment Code (KAGB).

The notifications must be submitted together with the income tax, corporate income tax or tax assessment return for the taxation period in which the acquisitions or disposals to be notified were realized, but no later than 14 months after the end of this taxation period, using the officially prescribed data set via the officially designated interfaces.

XXII. SELLING RESTRICTIONS

No action has been or will be taken in any jurisdiction by the Issuer, or the Lead Manager that would, or is intended to, permit a public offering of the Shares anywhere other than in Estonia, Lithuania, Latvia and Germany, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer, and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Shares or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Shares, in all cases at their own expense.

In addition, the Lead Manager and their affiliates have performed, and may in the future perform, various financial advisory, investment banking and/or commercial banking services for, and may arrange loans and other non-public market financing for and enter into derivative transactions with, the Issuer, and its respective affiliates, for which they have and may receive customary fees.

United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

European Economic Area

Prohibition of sales to European Economic Area retail investors

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area, other than the offering contemplated in this Prospectus to the public in Estonia, Latvia, Lithuania and Germany from the time the Prospectus has been approved by the CSSF and published and notified to the relevant competent authorities in accordance with the Prospectus Regulation, and provided that the Issuer has consented in writing to use of the Prospectus for any such offers. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

United Kingdom

Prohibition of sales to UK retail investors

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8)

of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

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XXV. DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference in this Prospectus, among others, in order to comply with Section 18 of Annex 1 of the Commission Delegated Regulation (EU) 2019/980. They are published on the Issuer's website at <https://eleving.com/> and will be available for a period of ten years after the initial publication of the Prospectus on the Issuer's website. The information not listed in the cross-reference list is not incorporated by reference as it is either not relevant for investors or covered elsewhere in this Prospectus.

1. Audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the independent auditor's report thereon contained in the Issuer's 2021 Annual Report.

Link: <https://core.eleving.com/storage/8jY5FTvPSbH3ln9k/Eleving-Group-Consolidated-Annual-Report-2021.pdf>

- Consolidated statement of profit and loss and other comprehensive income Annual Report 2021 page 51
- Consolidated statement of financial position Annual Report 2021 pages 52 to 53
- Consolidated statement of changes in equity Annual Report 2021 page 54
- Consolidated statement of cash flows Annual Report 2021 page 55
- Notes to the consolidated financial statements Annual Report 2021 pages 56 to 138
- Independent auditor's report Annual Report 2021 pages 139 to 146

2. Audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2022, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the independent auditor's report thereon contained in the Issuer's 2022 Annual Report.

Link: <https://core.eleving.com/storage/WpIBlApSzRRS771q/Integarted-Annual-Report-2022-Final.pdf>

- Consolidated statement of profit and loss and other comprehensive income Annual Report 2022 page 60
- Consolidated statement of financial position Annual Report 2022 pages 61 to 62
- Consolidated statement of changes in equity Annual Report 2022 page 63
- Consolidated statement of cash flows Annual Report 2022 page 64

- Notes to the consolidated financial statements Annual Report 2022 pages 65 to 139
 - Independent auditor's report Annual Report 2022 pages 140 to 144
3. Audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the independent auditor's report thereon contained in the Issuer's 2023 Annual Report.

Link: <https://core.eleving.com/storage/juEPdvp1UYyGSBx6/Integrated-Annual-Report-2023.pdf>

- Consolidated statement of profit and loss and other comprehensive income Annual Report 2023 page 65
 - Consolidated statement of financial position Annual Report 2023 pages 66 to 67
 - Consolidated statement of changes in equity Annual Report 2023 page 68
 - Consolidated statement of cash flows Annual Report 2023 page 69
 - Notes to the consolidated financial statements Annual Report 2023 pages 70 to 144
 - Independent auditor's report Annual Report 2023 pages 145 to 151
4. Interim Report 2024 containing the interim financial statements of the Issuer as at and for the six-month period ended 30 June 2024. The interim financial statements are unaudited, prepared in accordance with Interim Financial Reporting (IAS 34), and consist of the consolidated condensed statement of financial position as at 30 June 2024 and the related consolidated condensed statement of comprehensive income, the consolidated condensed cash flow statement, and notes for the six-month period ended 30 June 2024.

Link:
<https://core.eleving.com/storage/SUVA7eSv1SkCBCNo/Eleving%206M%20IAS34%20FS%20FINAL%20SIGNED.pdf>

- Consolidated condensed interim statement of profit or loss and other comprehensive income Interim Report 2024 page 7
 - Consolidated condensed interim statement of financial position Interim Report 2024 pages 8 to 9
 - Consolidated condensed interim statement of cash flows Interim Report 2024 page 11
 - Accounting policies and explanatory notes Interim Report 2024 pages 12 to 26
5. Dividend Distribution Policy as of 30 July 2024. This document is incorporated

by reference in its entirety

Link: https://core.eleving.com/storage/GJdmaBIC3pXfEIQT/Eleving-Group_Dividend-policy.pdf

ISSUER

Eleving Group
8-10 avenue de la Gare
L-1610 Luxembourg
Grand Duchy of Luxembourg

LEAD MANAGER AND BOOKRUNNER

AS LHV Pank
Tartu mnt 2, 10145 Tallinn, Estonia

JOINT BOOKRUNNERS

Signet Bank AS
Antonijas iela 3, Riga, LV-1010, Latvia

M.M.Warburg & CO (AG & Co.) KGaA,
Ferdinandstraße 75, 20095 Hamburg, Germany

Auerbach Grayson & Co LLC
20 West 55th Street New York NY 10019

LEGAL ADVISERS

To the Issuer as to Luxembourg law:

GSK Stockmann SA
Société Anonyme
(inscrite au barreau de Luxembourg)
44, Avenue John F. Kennedy
L-1855 Luxembourg

To the Lead Manager and Bookrunner:

ZAB Eversheds Sutherland Bitāns SIA

Marijas iela 2A, Rīga, LV-1050, Latvia

AUDITORS TO THE ISSUER

BDO Audit, Cabinet de révision agréé
1, rue Jean Piret, L-2350 Luxembourg