

Joint stock company Renti

Unified registration number 305653232

Annual report

for the year ended
31 December 2023

Including financial statements

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

Together with independent auditor's report

Vilnius, 2024

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General Information

Name of the Company	"RENTI"
Legal status of the Company	PRIVATE LIMITED LIABILITY COMPANY
Unified registration number, place and date of registration	305653232, Lithuania, Vilnius, 09 November 2020
Registered office	Laisvės av. 10A, Vilnius
Major shareholders	Since 08.03.2021: mogo LT, UAB. (100%) Laisvės av. 10A, Vilnius, LT-04215 Lithuania
Financial year	01.01.2023 - 31.12.2023
Previous financial year	01.01.2022 - 31.12.2022
Auditors	UAB „ROSK Consulting“, Audit Company Certificate No. 001514 Laisvės av. 10A Vilnius, Lietuva Romanas Skrebnevskis, Licence number 000471
Currency	EUR

Management report

1 July 2024

General information

The private limited liability company "Renti" (hereinafter referred to as the "Company") was registered on 9 November 2020 in accordance with the procedure laid down by the Republic of Lithuania Law on Companies, legal entity registration number 305653232. The data about the Company is collected and stored in the Register of Legal Entities. The Company's registered office is located at the address Laisvės av. 10A, Vilnius, Republic of Lithuania.

Vision, purpose and values

Vision

Those who need to use a vehicle - can start using it quickly and easily without having to feel alone in this process.

Purpose

Our purpose – offer an opportunity for everyone to be able to use a vehicle.

Values

- We are the leaders of our segment and an example to our competitors - we strive to always maintain so.
- We know that if we will be persistent – we will definitely find the best solutions.
- We believe not only in our success, but in our clients success as well. We want to add to their success and we know that we can achieve this.

Management of the Company

Chief Executive Officer of the Company - Laurynas Dzindzelėta. Other companies in which managerial positions are currently held:

Legal entity name and registration no.	Registered office (address) of the company	Position held
mogo LT UAB, 302943102 - the main employer	Laisvės av. 10A, Vilnius	Director
Primerio Finance UAB, 305600347	Laisvės av. 10A, Vilnius	Director

UAB Renti (hereinafter – the Company) is a used vehicle long-term rent solutions company, providing fast and convenient services to consumers in Lithuania. Services are offered at multiple branch offices as well as through a vast partners' network.

The Company's strategy is to offer to its customers accessible, convenient and affordable long-term rent solutions. To reach this target the Company will continue to offer customer tailored solutions, high class service and a wide range of car dealerships cooperation, where customers can get UAB Renti provided services.

In 2023, the Company's fully paid up and formed authorized capital totaled to EUR 3 900 000 which consists of 1 560 000 shares. The par value of each share is EUR 2,5. All the shares are fully paid. Company does not hold any own shares as at 31 December 2023 and at 31 December 2022. Company did not sell or acquire its own shares in current financial year and previous financial year.

At the end of the accounting financial year, the Company's shareholders are:

Shareholder	Registration number	Number of shares held, units	Percentage of shareholding	Nominal value, EUR
mogo LT UAB	302943102	1 560 000	100.00%	2,5

Future plans for Company's development

Further activities at Renti LT, UAB are focused on ensuring growth of sales improving and automating internal sales/customer service processes, expanding partner network, implementing both internal and external IT solutions.

A word from the Director

In 2023 the long-term car rental market demonstrated steady growth, resulting in an increased demand of services, such used cars long-term rent. In UAB "Renti" (hereinafter referred to as the "Company"), the following were visible as well: increase of consumer expectations and demand of used vehicles and financing products at the same time.

In response to the changes in the business needs, the Company kept making investments in digitalization and process standardization. The Company aims to be trusted even by more customers for lease products and will focus on providing quality services and bringing new solutions to the market. It will do this with the help of qualified staff and trusted partners.

Financial performance

In 2023, the Company's customer portfolio continued to grow significantly. At the end of 2023 total amount of client portfolio reached up to EUR 22.01 million (in 2023 – EUR 16.08 million).

Turnover increased from EUR 4.40 million in 2022 to EUR 7.59 million in 2023 and result of 2023 reached EUR 0.9 million profit (2022 loss was EUR 0.2 million).

However, the deteriorating economic conditions had an impact on credit losses, which increased in 2023.

The Company's main goal remained to help customers to start using vehicles quickly and easily. Its services are favored by the customers and the market in general. The Company continued to invest resources in the development of information system solutions, development and calibration of clients' scoring models and efficiency of internal processes to optimize the costs and maximize the net profit.

The Company has a long-term credit facility from parent company for a total amount of EUR 20.72 million in 2023 to support its business operations and further growth. The Company also has been very successfully collaborating with Mintos peer-to-peer lending marketplace where investors can invest in Company's agreements this way ensuring additional source of financing. Meanwhile, changes in the European financing markets had an impact on funding sources and prices.

2023 - the year to fight with inflation

2023 was a challenging year for both the global and national economies. The European Central Bank (ECB) has focused its agenda on economic issues such as the fight against high inflation, but high inflation, combined with high interest rates, has led to a decline in the purchasing power of most consumers (12-month Euribor exceeded 4% in the second half of the year).

Another important factor for the Company is the labor force participation rate, which is generally linked to GDP (general domestic product) trends, which was increasing in Lithuania. During 2023, the Company experienced a high turnover of staff and had to reallocate its budget and reduce other costs to attract new employees with the market's rising wage expectations.

Expected trends in the Lithuanian economy in 2024

A slight improvement in the economic environment is expected in 2024. Declining interest rates and a reduction in the inflation rate should have a positive impact on customer confidence, and private spending is likely to continue growing Company's income after a decline in 2023. Although the Bank of Lithuania's forecasts for key economic indicators in Lithuania indicate that the financing sector will face more favorable conditions than in 2023 - geopolitical uncertainties related to the upcoming elections in most democracies (European Parliament, US presidential) and ongoing conflicts in Ukraine, the Middle East and the tensions related to Taiwan could have an impact on the economic situation in case of unforeseen escalations.

Analysis of non-financial performance

In response to growing public concern about climate change and growing social inequalities has led the Company to develop a policy on the governance of Environmental, Social and Governance (ESG). It should help the Company to achieve its objectives of sustainability, social integrity and transparent governance.

Company kept commitment to the employees to ensure diversity (age, gender, ethnicity, language, education, ideas and perspectives), wellbeing (brand new office), clear and transparent communication, learning and development opportunities, etc., accompanied by the Employee benefit list, focused on keeping employees involved into company activities, ensuring work-life balance and both professional and personal growth.

The Company was continuously improving internal control systems seeking to minimize operational risks, improving reporting tools, adjusting procedures, developing tools to achieve higher automation level thus minimizing the possibility of human error.

In 2023, the Company maintained the optimal balance between different marketing channels to promote the brand, strengthening the Company's position in terms of brand recognition and to keep customer acquisition costs at most efficient level. Strong presence on digital channels, close cooperation with on-line aggregators and wide partnership network supported following up with challenging Company sales targets.

2023 risk management performance

The Lithuanian economy remained very sluggish in 2023. The unemployment rate rose in the first quarter but remained moderate for the rest of the year, reaching 6.2% in the third quarter of 2023. Annual inflation declined, reaching only 1.2% in December 2023. Average wages continued to rise, while real incomes of workers increased. However, the increase in the EURIBOR rate, in some cases, has doubled people's loan repayments. The risks associated with borrowing from the Company, almost doubled the number of clients who were willing to defer or postpone loan payments.

In the context of long-term risk assessment, the Company assesses the proportion of loans in the portfolio that are past due (> 90 days) monthly and takes quick decisions to manage the risk. In 2023, the Company has successfully managed the increase growth in overdue payments by applying different methods of client payments provisioning. Although customers have experienced difficulties in paying their monthly lease instalments, this rate is likely to decrease in the coming years if EURIBOR will be reduced.

In 2023, the Company used hedging instruments to manage its risks. The company has a contract with company "Risk Management Service" OU, which insures most of the portfolio.

The Company has no foreign currency exposure and therefore foreign currency risk is not included in the general books.

In 2024, household consumption is projected to recover and continue to grow. In the medium term, the labor market is likely to remain stable, with wage growth and low unemployment. Inflation should approach 2.5%. The Company should keep risk indicators stable by taking strong measures when the situation requires it. The Company has all the necessary tools, including monitoring of portfolio quality through automated reports, to take prompt decisions on risk mitigation actions.

Anti-Corruption and Anti-Money laundering actions

The Company strives to uphold high ethical standards in areas such as anti-corruption, avoidance of conflicts of interest, promotion of equality, respect and professionalism. These values are reflected in the Company's Ethics Policy.

The Company also gives priority to the fight against financial crime. The Company provides its services only in the Republic of Lithuania and establishes business relations with natural persons who are mostly citizens of the Republic of Lithuania. This reduces the risk of financial crime. However, in any case, the Company has an internal control system in place to protect against financial crime. The Company has a separate department to ensure compliance with international sanctions and to combat money laundering, terrorist financing and other financial crimes. The Company follows strict due diligence procedures, indicators and criteria for monitoring customers on suspicious transactions. The Company complies with national legal requirements, recommendations, and guidance from regulators, including local supervisors.

Given the Company's business model, it is not exposed to the risk of bribery of foreign officials.

Operating plans and forecasts of the Company

In 2023, the Company remained one of the leading long-term rent provider focused on used vehicle financing solutions. To maintain the leading position and profitability in high competition market, the Company will be keeping the focus digitalizing the offered services and strengthening customer acquisition channels, at the same time increasing the efficiency managing the cost base, focusing on reduction of interest paid to the investors, increasing debt collection efficiency and optimizing supplier costs. The Company will continue providing used car financing solutions meeting the balanced risk, pricing and customer's needs.

In pursuance of maintaining sustainability of the business in the long term and ensuring conformity with the expectations of the investors and customers, Company will keep focus strengthening the commitment and engagement of the Company employees and management team.

In 2023, the company continued its focus on profitable and sustainable partnerships. In 2023, the number of active business partners remained stable and wide-ranging across Lithuania. The company focused on its strategic partners in the car dealer intermediary markets, including used car dealerships and on-line aggregators Lenders and Altero. Also, the company maintained competitive pricing for financial products which enabled the increase in sales amounts and portfolio growth.

The total amount of leasing and consumer loan contracts issued within all the customer acquisition channels including partnership network was stable and in 2023 increased slightly by 1 % till EUR 12 919 668 (EUR 12 799 078 in 2022)

The strategy for upcoming years is to drive organic growth in existing market. The Company will constantly monitor product and portfolio performance across existing market for the best capital allocation. The Company will also evaluate and explore possible growth opportunities through the portfolio or new product launches.

In 2024, the Company's strategic outlook will continue to focus on the application of proven approaches that have served both the Company and its customers well in previous periods. In order to maintain its position in the financing market, the Company will continue to focus on internal efficiency, recognizing that in a (potentially) declining interest rate environment, credit prices will remain highly competitive and that profitability growth will continue to depend on the ability to provide customers with a superior level of service and to meet customer expectations across a range of sales channels.

Although the overall economic outlook for 2024 is moderately positive and ECB experts forecast that interest rates should fall in 2024, competition will only lead to a decline in leasing rates after a while. The relatively slow growth of private consumption is driving to search for innovative solutions for all value chain processes. The Company will therefore continue to improve its internal processes to increase the level of automation of processes and to develop solutions to improve the customer experience.

The Company's ambition in the residential leasing market is to remain the most attractive local provider and to secure stable financing for its customers by offering them leasing at competitive prices.

Information on significant events that have occurred after the end of the financial year

There have been no significant events occurring after the end of the financial year that could affect the Company's operations or lead to adjustments in the Company's business plans.

Information on the Company's research and development activities

The Company has no research and development activities.

Financial risk management is disclosed in note 24.

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Renti, UAB:

Opinion

We have audited the financial statements of Renti, UAB (hereafter – „the Company“), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of the Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of the Financial Statements of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor, who issued a qualified opinion on those financial statements on 31 May 2023 regarding insufficient audit evidence over the opening balance of assets held for sale together with an other matters paragraph related to the fact that the comparative information was not audited.

Other Information

The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal

control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Auditor Romanas Skrebnevskis
Auditor's Certificate No. 000471

ROSK Consulting UAB
Company's audit certificate No. 001514

Vilnius, Lithuania
1 July 2024

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report.

Financial Statements

Statement of Comprehensive Income

		2023	2022
		EUR	EUR
Interest revenue calculated using the effective interest method	4	7,591,233	4,396,312
Interest expense calculated using the effective interest method	5	(2,094,102)	(1,589,069)
Net interest income		5,497,131	2,807,243
Fee and commission income/(loss)	6	97,043	(36,139)
Impairment expense	7	(731,203)	(403,889)
Expenses related to peer-to-peer platform services		(40,584)	-
Other revenue from car sales	8	-	9,450
Other expenses from car sales	8	-	(11,726)
Selling expense	9	(112,963)	(134,505)
Administrative expense	10	(2,321,112)	(1,616,569)
Other operating income		13,124	9,748
Other operating expense	11	(1,288,002)	(780,657)
Net foreign exchange result		(23)	-
Profit before tax		1,113,411	(157,044)
Corporate income tax	12	(155,946)	(6,805)
Deferred corporate income tax	13	(22,403)	(15,879)
Net profit for the period		935,062	(179,728)
Other comprehensive income that will not be reclassified to profit (loss)		-	-
Other comprehensive income that may/will be reclassified to profit (loss)		-	-
Total comprehensive income for the year		935,062	(179,728)

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant

Statement of Financial Position

ASSETS		31.12.2023	31.12.2022
NON-CURRENT ASSETS		EUR	EUR
Tangible assets			
Property, plant and equipment	13	287	-
Total tangible assets		287	-
Non-current financial assets			
Finance lease receivables	14	17,755,713	13,416,847
Deferred tax asset	13	5,357	27,760
Total non-current financial assets		17,761,070	13,444,607
TOTAL NON-CURRENT ASSETS		17,761,357	13,444,607
CURRENT ASSETS			
Inventories			
Purchased vehicles held for sale		51,812	9,143
Total inventories		51,812	9,143
Receivables and other current assets			
Finance lease receivables	14	4,253,901	2,667,054
Other loans and receivables		1,000	16,427
Non-current assets held for sale	15	312,623	584,993
Trade receivables	16	92,560	74,521
Prepaid expense		16,944	5,766
Other receivables	17	36,998	14,036
Total receivables and other current assets		4,714,026	3,362,797
Cash and cash equivalents		142,381	91,719
TOTAL CURRENT ASSETS		4,908,219	3,463,659
TOTAL ASSETS		22,669,576	16,908,266

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant

Statement of Financial Position

EQUITY AND LIABILITIES

		31.12.2023	31.12.2022
		EUR	EUR
EQUITY			
Share capital		3,900,000	3,900,000
Retained earnings/(losses)		353,689	(581,373)
brought forward		(581,373)	(401,645)
for the period		935,062	(179,728)
TOTAL EQUITY		4,253,689	3,318,627
LIABILITIES			
Non-current liabilities			
Borrowings	19	13,400,333	12,977,500
Total non-current liabilities		13,400,333	12,977,500
Current liabilities			
Borrowings	19	4,106,219	154,552
Prepayments received from customers		248,063	62,141
Trade payables		117,141	77,444
Payables to related parties		3,529	39
Corporate income tax payable	12	155,946	6,805
Taxes payable	20	28,883	4,059
Other liabilities	21	69,682	-
Accrued liabilities	22	286,091	307,099
Total current liabilities		5,015,554	612,139
TOTAL LIABILITIES		18,415,887	13,589,639
TOTAL EQUITY AND LIABILITIES		22,669,576	16,908,266

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant

Statement of Changes in Equity

	Share capital EUR	Legal reserve EUR	Retained earnings/ (Accumulated loss) EUR	Total EUR
Balance at 01.01.2022	2,500	-	(401,645)	(399,145)
Profit for the reporting year			(179,728)	(179,728)
Additional shares of nominal value were issued	3,897,500	-		3,897,500
Other comprehensive income		-	-	-
Balance at 31.12.2022	3,900,000	-	(581,373)	3,318,627
Balance at 01.01.2023	3,900,000	-	(581,373)	3,318,627
Profit for the reporting year	-	-	935,062	935,062
Additional shares of nominal value were issued	-	-	-	-
Other comprehensive income				-
Balance at 31.12.2023	3,900,000	-	353,689	4,253,689

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant

Statement of Cash Flows

		31.12.2023. EUR	31.12.2022. EUR
Cash flows to/from operating activities			
Profit before tax from continuing operations		1,113,411	(157,044)
Adjustments for:			
Amortisation and depreciation	13	118	-
Interest expense	5	2,094,102	1,589,069
Interest income	4	(7,591,233)	(4,903,477)
Increase/ (decrease) of impairment	7	731,203	218,807
Operating profit before working capital changes		(3,652,398)	(3,252,645)
Decrease/ (increase) in inventories		(42,669)	(2,651)
Decrease/ (increase) in finance lease receivables, trade and other receivables		(6,457,733)	(8,283,083)
Decrease/ (increase) in advances received and trade payables and guarantees		316,810	(461,347)
Cash generated to/from operations		(9,835,991)	(11,999,726)
Interest received		-	-
Interest paid	19	(2,107,712)	(1,520,299)
Corporate income tax paid		-	-
Net cash flows to/from operating activities		(11,943,702)	(13,520,025)
Cash flows to/from investing activities			
Purchase of property and equipment and other intangible assets		(405)	-
Loans repayments from non-related parties		-	18,247
Interest received		7,606,660	4,686,060
Net cash flows to/from investing activities		7,606,255	4,704,307
Cash flows to/from financing activities			
Proceeds from borrowings	19	7,133,280	9,042,000
Repayments for borrowings	19	(2,745,171)	(178,000)
Net cash flows to/from financing activities		4,388,109	8,864,000
Change in cash		50,662	48,282
Cash at the beginning of the year		91,719	43,437
Cash at the end of the year		142,381	91,719

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant

Notes to the Financial Statements

1. Corporate information

UAB "Renti" (hereinafter – the Company) was registered with the Registry Center of Republic of Lithuania on 9 November 2020. The registered office of the Company is at Perkūnkiemio st. 6, Vilnius, Lithuania. The Company's shareholder is mogo LT, UAB incorporated in Lithuania, registration number 302943102. The Company is the part of Eleving group, where the parent company is AS Eleving Stella, registration number: 40103964830, registered office address: Skanstes St 52, Riga, the Republic of Latvia.

The core business activity of the Company comprises of providing long-term vehicle rent, which is accounted as finance lease services, based on the valid accounting principles.

These financial statements have been approved for issue by the Board on 1 July 2024

The total number of employees at the end of the December 2023 was 47 (2022: 54). Employees who work for UAB "Renti" are employed by the parent company UAB "mogo LT" under a three-employer agreements, which allow to allocate costs based on actual time worked for each entity.

The shareholders have the right to approve the financial statements or not approve them and require the management to prepare a new version of financial statements.

2. Summary of significant accounting policies

Basis of preparation

These annual financial statements as of and for the year ended 31 December 2023 are prepared in accordance with International Financial Reporting Standards as adopted in the European Union.

The Company's annual financial statements and its financial result are affected by accounting policies, assumptions, estimates and management judgement (Note 3), which must be made in the course of preparation of the annual financial statements. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable. See Note 3.

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

The Company's presentation currency is euro (EUR). The financial statements cover the period from 01.01.2023 till 31.12.2023. Accounting policies and methods are consistent with those applied in the previous years, except as described below.

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

Changes in accounting policies

Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New and/or amended standards and interpretations effective from 1 January 2023:

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union (further – EU) are effective for the current period and were adopted by the Company:

- IFRS 17 Insurance Contracts; including Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 "Income taxes": International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023).

The application of these standards, amendments and interpretations did not have a material impact on the Company's financial statements.

(b) Standards, amendments and interpretations to existing standards issued by IASB, adopted by EU, but not yet effective:

At the date of authorisation of these financial statements, the Company has not early adopted the following new and revised IFRS standards, amendments and interpretations that have been issued but are not yet effective:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current – Deferral of Effective date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024).

The management of Company does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been endorsed by EU:

IFRSs currently endorsed by EU are not significantly different from the standards, endorsed by IASB, except the standards, amendments and interpretations that were not endorsed by EU (the effective dates are applicable to IFRS to full extent). These standards, amendments and interpretations are listed below:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The management of Company does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

Accounting policies

Licenses and other intangible assets

Intangible non-current assets are initially stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

Other intangible assets mainly consist of acquired computer software products.

Amortization is calculated on a straight-line basis over the estimated useful life of the asset as follows:

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

Property and equipment

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

Computers	- over 3 years;
Furniture	- over 5 years;
Vehicles	- over 5 years;
Leasehold improvements	- over lease term;
Other equipment	- over 3 years;

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

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

Financial assets

Financial instruments – initial recognition

Date of recognition

Loans and advances to customers are recognized when funds are transferred to the customers' accounts. Other assets are recognized on the date when the Company enters into the contract giving rise to the financial instruments.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described further in the accounting policies. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Other receivables are measured at the transaction price.

Classification of financial assets

The Company only measures Loans and advances to customers, Loans to related parties, Receivables from related parties, cash equivalents and Other loans and receivables at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective - the risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed. The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward. The assessed business model is with the intention to hold financial assets in order to collect contractual cash flows.

SPPI test

As a second step of its classification process the Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset a second step of its classification process the Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. The Company has performed the SPPI assessment and assessed its financial assets to be compliant with SPPI criteria.

Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2023 or 2022.

Accounting policies (continued)

Derecognition of financial assets and finance lease receivables

Derecognition provisions below apply to all financial assets measured at amortized cost.

Derecognition due to substantial modification of terms and conditions

The Company derecognizes finance lease receivable to a customer when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new lease, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized receivables are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be purchased or originated credit impaired (POCI).

When assessing whether or not to derecognize a financial asset, amongst others, the Company considers the following qualitative factors:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- Whether legal obligations have been extinguished.

Furthermore, for loans and financial lease receivables the Company specifically considers the purpose of the modifications. It is evaluated whether modification was entered into for commercial (business) reasons or for credit restructuring reasons. Modification is considered to occur for a commercial reasons if the DPD (days past due) of the counterparty immediately prior the modification is less than 5 DPDs. In such cases the respective modification is considered to be performed for commercial reasons and results in derecognition of the initial lease/loan receivable.

Other modifications resulting in derecognition include increase in the lease amount and increase in lease term, which are agreed upon with customers for a specific commercial reason s (i.e., customers and the Company are both interested in substantially modifying the scope of the lease/loan transaction). Whenever such an agreement to modify is reached the old agreement and respective receivable is derecognized. Other modifications to the agreement terms are treated as modifications that do not result in derecognition (see section on Modifications below).

Derecognition other than for substantial modification

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

The Company has transferred the financial asset or finance lease receivable if the Company has transferred its contractual rights to receive cash flows from the financial asset or finance lease receivable.

The Company has transferred the asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions when the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates;
- Company cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows;
- Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Modifications

The Company sometimes makes modifications to the original terms of lease as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a lease restructured when such modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include default or having at least 5 DPDs prior to the modifications. Such modifications may involve renewing (in the case of renewal of a terminated agreement) or extending (in case of customer having at least 5 DPD) the payment arrangements. Other modifications treated as non-substantial include modification of agreement conditions such as term or principal decrease or changes in payment dates, which are typically implemented due to customers' initiative. Equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

If the modification does not result in cash flows that are substantially different, as set out above, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss in interest revenue/expenses calculated using the effective interest method (Note 4, 5) in the statements of comprehensive income, to the extent that an impairment loss has not already been recorded (Note 7). Further information on modified financial assets and finance lease receivables is disclosed in the following section on impairment.

Treatment of non-substantial modifications (IFRS 9)

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

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

Changes in the contractual cash flows of the asset are recognized in statement of comprehensive income and any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified instrument. Therefore, the original EIR determined at initial recognition is revised on modification to reflect any costs or fees incurred.

Accounting policies (*continued*)

Impairment of trade and other receivables from customers/contract assets

During the course of business, the Company may have other type of claims against its leasing customers. In such cases the ECL methodology of the related lease receivable is mirrored and the ECL mirrors the impairment of the lease receivable. For other receivables and contract assets that are not related to lease portfolio receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The ECL recorded is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For claims against its leasing customers the Company mirrors the staging applied to the underlying lease exposure.

The Company has entered into CDS agreement with Risk Management Service OU to insure its lease portfolio. This transaction is considered as credit enhancement. Monthly CDS fee is calculated and charged to the Company until the agreement is repaid or terminated. CDS fee consists of projected credit losses of a lease agreement and a mark-up. All leasing and loan agreements are transferred to the issuer of CDS, if the client of leasing or loan agreement is late in paying the debt for more than 125 days. The Company has transferred its credit risk to the issuer, therefore no impairment is calculated.

The Company segregates finance lease receivables in the following categories:

Finance lease receivables (lease):

- 1) Not past due
- 2) Days past due up to 30 days
- 3) Days past due up to 60 days
- 4) Days past due over 60 days

Based on the above process, the Company applies the Group's policy (as described below) and groups its leases into Stage 1, Stage 2, and Stage 3 even though no impairment loss is calculated:

- Stage 1: When leases are first recognized, the Company recognizes an allowance based on 12mECLs. The Company considers leases that are current or with DPD up to 30 as Stage 1. A healing period of 1 month is applied before an exposure previously classified as Stage 2 can be transferred to Stage 1 and such an exposure must meet the general Stage 1 DPD criteria above. Exposures are classified out of Stage 1 if they no longer meet the criteria above.
- Stage 2: When a lease has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The Company generally considers leases that have a status of 31-60 DPD to be Stage 2 loans. A loan is considered Stage 2 if DPD is in range of 30 to 60 days. Exposures remain in Stage 2 for a healing period of 1 month, even if they otherwise would meet Stage 1 criteria above during this period.
- Stage 3: Leases considered credit-impaired and at default. The Company records an allowance for the LTECLs. The Company considers a finance lease agreement defaulted and therefore Stage 3 in all cases when the borrower becomes 60 DPD on its contractual payments or the lease agreement is terminated.

The Company considers a loan agreement defaulted and therefore Stage 3 in all cases when the borrower becomes 60 days past due on its contractual payments.

Exposures remain in Stage 3 for a healing period of 2 months, even if they otherwise would meet Stage 2 criteria above during this period.

Due to the nature of credit exposures of the Company qualitative assessment of whether a customer is in default is not performed and primary reliance is placed on the above criteria.

Impairment of finance lease receivables (according to IFRS 9)

The Company has not recorded the allowance for ECL for finance lease receivables to customers due to Credit Default Swap (CDS) agreement except ECL for repossessed Vehicles which is calculated based on client's remaining amount (receivables) at the reporting period combined with Probability of Default (PD) and Loss Given Default (LGD), judgment when determining significant increase in credit risk.

The Company has CDS agreement with Risk Management Service OU to insure its lease portfolio. This transaction is considered as credit enhancement. Monthly CDS fee is calculated and charged to the Company until the agreement is repaid or terminated. CDS fee consists of projected credit losses of a lease agreement and a mark-up. All leasing and loan agreements are transferred to the issuer of CDS, if the client of leasing or loan agreement is late in paying the debt for more than 90 days. The Company has transferred its credit risk to the issuer, therefore no impairment is calculated.

Impairment of cash and cash equivalents

For cash and cash equivalents default is considered as soon as balances are not cleared beyond conventional banking settlement timeline, ie., a few days.

Therefore, transition is straight from Stage 1 to Stage 3 given the low number of days that it would take the exposure to reach Stage 3 classification, meaning default. For cash and cash equivalents no Stage 2 is applied given that any past due days would result in default.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through the statement of comprehensive income

Financial liabilities at fair value through the statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of comprehensive income.

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

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

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

Accounting policies (continued)

Financial liabilities (continued)

- Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Modification of financial liabilities

For financial liabilities, the Company considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. If the modification is substantial, then a derecognition gain or loss is recorded on derecognition. If the modification does not result in cash flows that are substantially different the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

Treatment of non-substantial modifications (IFRS 9)

If expectations of fixed rate financial liabilities' cash flows are revised, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial liability on the statement of financial position with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

The carrying amount of the financial liability is adjusted if the Company revises its estimates of payments or receipts. If modification of a financial liability measured at amortized cost does not result in the derecognition a modification gain/loss is calculated. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense (Note 5).

Changes in the contractual cash flows of the asset are recognized in statement of comprehensive income and any costs or fees incurred adjust the carrying amount of the modified financial asset or liability and are amortized over the remaining term of the modified instrument. Therefore, the original EIR determined at initial recognition is revised on modification to reflect any costs or fees incurred.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

The Company considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

Loans and borrowings

All loans, borrowings and funding attracted through peer-to-peer platforms are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, loans, borrowings and funding attracted through peer-to-peer platforms are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by considering any issue costs, and any discount or premium on settlement. Gains and losses are recognized in the statement of comprehensive income as interest income/ expense when the liabilities are derecognized through the amortization process.

Finance lease – Company as lessor

Whilst financial lease receivables that represent financial instruments and to which IAS 17 or IFRS 16 applies are within the scope of IAS 32 and IFRS 7, they are only within the scope of IFRS 9 to the extent that they are (1) subject to the derecognition provisions, (2) 'expected credit loss' requirements and (3) the relevant provisions that apply to derivatives embedded within leases.

The Company is engaged in financial lease transactions by selling vehicles to its customers through financial lease contracts. the Company also engages in financing of vehicles already owned by the customers. Under such leaseback transactions the Company purchases the underlying asset and the leases it back to the same customer. Vehicle serves as a collateral to secure all leases. To assess whether such leaseback transactions are classified as finance leases, the Company applies the same indicators of a lease classification, as for finance leases.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As of this date:

- a lease is classified as a finance lease; and
- the amounts to be recognized at the commencement of the lease term are determined.

A lease is classified as a finance lease at the inception of the lease if it transfers substantially all the risks and rewards incidental to ownership. The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As of this date:

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

Further indicators that individually or in combination would also lead to a lease being classified as a finance lease are:

- the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the fluctuation in the fair value of the residual accrue to the lessee;
- the lessee can continue the lease for a secondary period at a rent that is substantially lower than market rent.

Accounting policies (continued)

Finance lease – Company as lessor (continued)

Initial measurement

At lease commencement, the Company accounts for a finance lease, as follows:

- derecognizes the carrying amount of the underlying asset;
- recognizes the net investment in the lease; and
- recognizes, in profit or loss, any selling profit or selling loss. Such profit or loss is recognized under "Revenue from car sales" (Note 9).

Upon commencement of finance lease, the Company records the net investment in leases, which consists of the sum of the minimum lease term payments, and gross investment in lease less the unearned finance lease income. The difference between the gross investment and its present value is recorded as unearned finance lease income. Initial direct costs, such as client commissions and commissions paid by the Company to car dealers, are included in the initial measurement of the lease receivables. The calculations are done using an effective interest method.

Prepayments and other payments received from customers are recorded in statement of financial position upon receipt and settled against respective client's finance lease receivables agreement at the moment of issuing next monthly invoice according to the agreement schedule.

If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortized over the lease term.

Prepayments received from customers are presented in separate financial statements separately as part of liabilities due to uncertainty of how they will be utilized.

Prepayments received from customers are recorded in statement of financial position upon receipt and settled against respective client's finance lease receivables.

Subsequent measurement

Finance lease income consists of the amortization of unearned finance lease income. Finance lease income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment according to effective interest rate in respect of the finance lease. The Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income.

The Company recognizes income from variable payments that are not included in the net investment in the lease (e.g. performance-based variable payments, such as penalties or debt collection income) separately in the period in which the income is earned. Such income is recognized under "Fee and commission income" (Note 6) in accordance with IFRS 15.

After lease commencement, the net investment in a lease is not remeasured unless the lease is modified and the modified lease is not accounted for as a separate contract or the lease term is revised when there is a change in the non-cancellable period of the lease.

The Company applies derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

Operating lease – Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realizable value represents the estimated selling price for inventories in the ordinary course of business less estimated costs necessary to make the sale.

Inventories contain only vehicles which are purchased for the sole purpose of selling them to customers.

Value of inventories is measured on a stock item by item basis. Write-off of each individual stock item is performed on sale of respective individual stock item.

Cash and cash equivalents

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

Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Assets held for sale includes vehicles which are obtained by enforcement of repossession in case clients default on existing lease agreements. Such repossessed collaterals are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell (FVLCTS). Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

Transactions with peer-to-peer platforms

Background

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

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

* Agreements with recourse rights which require the Company to guarantee full repayment of invested funds by the investor in case of default of the Company's customer (buy back guarantee).

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

Receivables and payables from/to P2P platform

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

Receivable is arising from assignments made through P2P platform where the related investment is not yet transferred to the Company (Note 22)

P2P platform commissions and service fees incurred by the Company are fees charged by P2P platform for servicing the funding attracted through peer-to-peer platform and are disclosed in Note 9.

Accounting policies (continued)

Transactions with peer-to-peer platforms (continued)

Receivables and payables from/to P2P platform

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

Liabilities to investors are recognized in statement of financial position caption Funding attracted through peer-to-peer platform (Note 23) and are treated as loans received.

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

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

Assignments with recourse rights (buy back guarantee)

Assignments with recourse rights provide for direct recourse to the Company, thus do not meet the requirements to be classified as a pass-through arrangement in accordance with IFRS 9. Therefore, the Company's respective debt instruments do not qualify to be considered for partial derecognition and interest expense paid to investors is shown in gross amount under Interest revenue calculated using effective interest method (Note 4).

Assignments without recourse rights (no buy back guarantee)

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

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

The derecognized part is accounted as an off-balance sheet item (Note 23) and interest income is recognized to the extent of being the residual interest. Residual income is the difference between the interest earned on the respective debt instrument by the Company and the respective share of interest earned by the investor.

Provisions

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

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

Accruals and deferrals

Accruals and deferrals are recorded to recognise revenues and costs as they are earned or incurred.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Income and expenses

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

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

The effective interest rate method (IFRS 9)

Under IFRS 9 for all financial instruments measured at amortized cost interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

When a financial asset becomes credit-impaired and is regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Income from cession of bad debt

Gain or loss from sale of doubtful financial lease receivables and loans is presented on net basis under "Net loss from de-recognition of financial assets measured at amortized cost". Gains or losses arising on cession deals are recognized in the statement of comprehensive income at transaction date as the difference between the proceeds received and the carrying amount of derecognized lease receivables assigned through cession agreements

Revenue and expenses from contracts with customers (according to IFRS 15)

Revenue from contracts with customers in scope for IFRS 15 encompasses sold goods or services provided as output of the Company's ordinary activities. The Company uses the following criteria to identify contracts with customers:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- can be identified each party's rights regarding the goods or services to be transferred;
- can be identified the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract);
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Performance obligations are promises in the contracts (either explicitly stated or implied) with the Company's customers to transfer to the customers distinct goods or services. Promised goods or services represent separate performance obligations if the goods or services are distinct. A promised good or service is considered distinct if the customer can benefit from the good or service on its own or with other readily available resources (i.e. distinct individually) and the good or service is separately identifiable from other promises in the contract (distinct within the context of the contract). Both of these criteria must be met to conclude that the good or service is distinct.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

In 2023 and 2022 the Company did not enter into contracts with variable considerations, rights of return, financing components, non-cash considerations or consideration payable to the customer.

Accounting policies (*continued*)

Revenue and expenses from contracts with customers (according to IFRS 15) (*continued*)

The Company recognizes revenue when (or as) it satisfies a performance obligation to transfer a promised good or service to a customer. Revenue is recognized when customer obtains control of the respective good or service. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from satisfied performance obligations is recognized over time, if one of the following criteria is met:

- customer simultaneously receives and consumes the benefits;
- customer controls the asset as it is created or enhanced;
- the Company's performance creates an asset and has a right to payment for performance completed.

Payment terms for goods or services transferred to customers according to contract terms are within 45 to 60 days from the provision of services or sale of goods. The transaction price is generally determined by the contractually agreed conditions. Invoices typically are issued after the goods have been sold or service provided.

The Company has generally concluded that it is the principal in its revenue arrangements, except for the debt collection activities and agency services below, because it typically controls the goods or services before transferring them to the customer.

When another party is involved in providing goods or services to Company's customers, the Company considers that it is a principal, if it obtains control of any one of the following:

- a) a good or another asset from the other party that it then transfers to the customer.
- b) a right to a service to be performed by the other party, which gives the entity the ability to direct that party to provide the service to the customer on the entity's behalf.
- c) a good or service from the other party that it then combines with other goods or services in providing the specified good or service to the customer.

Management judgment on transactions where the Company acts as agent is disclosed in Note 3.

Fee and commission income (Note 6)

Income from debt collection activities and earned penalties (point in time)

Income from debt collection activities and penalties is recognized in the Company's statement of comprehensive income at the moment when the likelihood of consideration being settled for such services is high, therefore income is recognized only when actual payment for provided services is actually received.

Income from penalties arise in case customers breach the contractual terms of financial lease receivables to customers agreements, such as exceeding the payment date. In those situations the Company is entitled to charge the customers in accordance with the agreement terms. The Company recognizes income from penalties at the moment of cash receipt as likelihood and timing of settlement is uncertain. In case customers does not settle the penalty amount, the Company is entitled to enforce repossession of the collateral.

Debt collection activities revenue typically arises when customers delay the payments due. As a lessor, the Company has protective rights in the lease agreements with customers that require the customers to safeguard and maintain the condition of the vehicle, as it serves as a collateral to the lease. Company's revenue encompasses a compensation of internal and external costs incurred by the Company in relation to debt management, legal fees as well as repossession of vehicle in case of lease agreement termination and are recharged to the customers in accordance with the agreement terms. Debt collection income is recognized on net (agent) basis as it these amounts are recharged to the customers in accordance with agreement terms and the Company does not control these services before they are transferred to a customer. The performance obligation is satisfied when respective service has been provided.

Revenue from car sales (Note 8)

Sale of motor vehicles (point in time)

The Company earns part of its revenues from the sales of used vehicles that were either bought from third parties or repossessed from its non-performing leasing customers. The Company is calculating minimum sales price based on initial cost or value after repossession plus additional cost incurred (e.g. repairs) and a margin added in order to make profit from the deal. The performance obligation is satisfied when car is registered on client's name.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

At 31 December, 2023 the Company did not have any contract assets in its statement of financial position.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

At 31 December, 2023 the Company had no contract liabilities in its statement of financial position.

Income taxes

Corporate Income tax includes current and deferred tax. Current Corporate Income tax is applied at the rate of 15% on taxable income generated by the Company during the taxation period.

Deferred Corporate Income tax arising from temporary differences in the timing of the recognition of items in the tax returns and these separate financial statements is calculated using the liability method. The Deferred Corporate Income tax asset and liability are determined on the basis of the tax rates that are expected to apply when the timing differences reverse. The principal temporary timing differences arise from differing rates of accounting and tax amortization and depreciation on the Company's non-current assets, the treatment of provisions and accruals.

Accounting policies (continued)

Deferred tax assets and liabilities

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit / loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Related parties

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

The Company has defined that a person or a close member of that person's family is related to a reporting entity if that person:

- has control or joint control of the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

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

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

Subsequent events

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

3. Significant accounting judgments, estimates and assumptions

The preparation of the separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies.

The most significant judgment is related to the Company's ability to continue as a going concern, while significant areas of estimation uncertainty used in the preparation of the separate financial statements are lease sale and leaseback transactions.

Although these estimates and judgements along with other items listed below are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Sale transactions

Under sale transactions the Company purchases the underlying asset and then leases it back to the same customer.

The Company applies IFRS 15 to determine whether a sale has taken place. The key indicators that control has passed to the Company include the Company having:

- a present obligation to pay;
- physical possession (of the purchased asset);
- a legal title (to the purchased asset);
- the risks and rewards of ownership (of the purchased asset);
- the Company has accepted the asset;
- the borrower can or must repurchase the asset for an amount that is less than the original selling price of the asset.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Notes to the Financial Statements

4. Interest revenue calculated using the effective interest method

	31.12.2023 EUR	31.12.2022 EUR
Interest income from finance lease receivables	7,590,842	4,391,247
Other interest income	391	5,065
TOTAL:	7,591,233	4,396,312

The classification of the year 2022 financial statements has been revised to reflect the year 2023 financial statements presentation. The following reclassifications have been made:

- part of "Interest revenue calculated using effective interest method" reclassified to "Fee and commission" income;
These changes are also consistent with the Company's internal reporting and provide relevant information to its stakeholders.

5. Interest expense calculated using the effective interest method

	31.12.2023 EUR	31.12.2022 EUR
<i>Interest expenses on financial liabilities measured at amortized cost:</i>		
Interest expenses for loans from P2P platform investors	289,839	-
Interest expenses for bank liabilities and related parties	1,799,697	1,589,069
Other interest expenses	4,566	-
TOTAL:	2,094,102	1,589,069

The classification of the year 2022 financial statements has been revised to reflect the year 2023 financial statements presentation. The following reclassifications have been made:

- CDS fee expenses reclassified from "Interest expense calculated using the effective interest method" to "Other operating expense";

6. Fee and commission income/(loss)

	31.12.2023 EUR	31.12.2022 EUR
<i>Revenue from contracts with customers recognized point in time:</i>		
Income from penalties received	43,394	13,886
Income from commissions	186,190	67,147
TOTAL:	229,584	81,033

	31.12.2023 EUR	31.12.2022 EUR
<i>Revenue from contracts with customers recognized point in time where the Company acted as an agent:</i>		
Gross income from debt collection activities	12,201	3,050
Gross expenses from debt collection activities	(144,742)	(120,222)
TOTAL:	(132,541)	(117,172)
Total fees and commissions income:	97,043	(36,139)

7. Impairment expense

	31.12.2023 EUR	31.12.2022 EUR
Change in impairment in finance lease	-	235,360
Change in impairment for repossessed cars	(84,400)	-
Written off debts	815,603	168,529
TOTAL:	731 203	403,889

8. Other revenue related to car sales

	31.12.2023	31.12.2022
	EUR	EUR
<i>Revenue from contracts with customers recognized point in time:</i>		
Other income from sale of vehicles	-	9,450
TOTAL:	-	9,450

	31.12.2023	31.12.2022
	EUR	EUR
<i>Expenses from contracts with customers recognized point in time:</i>		
Other expenses from sale of vehicles	-	(11,726)
TOTAL:	-	(11,726)
Total Net revenue from contracts with customers recognized point in time	-	(2,276)

9. Selling expense

	31.12.2023	31.12.2022
	EUR	EUR
Online marketing expenses	57,507	39,763
Other marketing expenses	42,988	83,218
<i>Total marketing expenses</i>	<i>100,495</i>	<i>122,981</i>
Other selling expenses	12,468	11,524
TOTAL:	112,963	134,505

10. Administrative expense

	31.12.2023	31.12.2022
	EUR	EUR
Employees' salaries	1,201,479	797,509
Expenses from management fee	650,551	436,990
Amortization and depreciation	110,343	-
Office and branches' maintenance expenses	93,506	166,203
IT services	68,852	39,875
Professional services	31,214	18,166
Other personnel expenses	24,161	20,790
Transportation expenses	15,493	7,272
Communication expenses	12,889	10,071
Credit database expenses	12,711	20,782
Business trip expenses	12,485	11,184
Employee recruitment expenses	11,803	2,708
Low value equipment expenses	5,678	5,007
Bank commissions	2,779	2,091
Other administration expenses	67,168	77,921
TOTAL:	2,321,112	1,616,569

Key management personnel compensation

	31.12.2023	31.12.2022
	EUR	EUR
Members of the Management		
Remuneration*	223,296	154,727
Social security contribution expenses	3,952	2,732
TOTAL:	227,249	157,459

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

* - Including vacation accruals.

11. Other operating expense

	31.12.2023	31.12.2022
	EUR	EUR
Non-deductible VAT from management services	61,485	14,158
Provision expenses for possible withholding tax liabilities	28,551	-
CDS fee expenses	1,181,982	755,744
Other operating expenses	15,984	10,755
TOTAL:	1,288,002	780,657

The classification of the year 2022 financial statements has been revised to reflect the year 2023 financial statements presentation. The following reclassifications have been made:

- CDS fee expenses reclassified from "Interest expense calculated using the effective interest method" to "Other operating expense";
- Non-deductible VAT from operational service fee reclassified from "Administrative expenses" to "Other operating expenses".

12. Corporate income tax

	31.12.2023	31.12.2022
	EUR	EUR
Current corporate income tax charge for the reporting year	155,946	6,805
Deferred corporate income tax due to changes in temporary differences	22,403	15,879
Corporate income tax charged to the income statement:	178,349	22,684

Deferred corporate income tax:

	Balance sheet		Income statement	
	31.12.2023	31.12.2022	2023	2022
	EUR	EUR	EUR	EUR
Deferred corporate income tax liability				
Accelerated depreciation for tax purposes	2,971	-	2,971	-
Gross deferred tax liability	2,971	-	2,971	-
Deferred corporate income tax asset				
Tax loss carried forward	(8,328)	(27,760)	19,432	15,879
Gross deferred tax asset	(8,328)	(27,760)	19,432	15,879
Net deferred tax liability/ (asset)	(5,357)	(27,760)	22,403	15,879
In the statement of comprehensive income			155,946	6,805
Net deferred corporate income tax assets	(5,357)	(27,760)		
Net deferred corporate income tax expense/ (benefit)			178,349	22,684

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

	31.12.2023	31.12.2022
Profit/ (loss) before tax	1,113,411	(157,044)
Tax at the applicable tax rate of... 15%	167,012	(23,557)
Deferred tax asset not recognized	22,403	
Permanent differences:		
Tax effect of non-taxable income	(6,509)	(2,083)
Tax effect on impairment	(12,660)	32,821
Tax effect of other non deductible expenses	8,103	15,503
Actual corporate income tax for the reporting year:	178,349	22,684

13. Long term assets

Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leashold improvements	Rental fleet	Rights-of-use assets	Advance payments for tangible assets	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR
As at 01.01.2023						
Cost	-	-	-	-	-	-
Accumulated depreciation and impairment	-	-	-	-	-	-
Carrying amount	-	-	-	-	-	-
2023						
Additions	405	-	-	-	-	405
Cost of disposals	-	-	-	-	-	-
Accumulated depreciation of disposals	219	-	-	-	-	219
Depreciation charge	(338)	-	-	-	-	(338)
As at 31.12.2023						
Cost	405	-	-	-	-	405
Accumulated depreciation and impairment	(118)	-	-	-	-	(118)
Carrying amount	287	-	-	-	-	287

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

14. Finance Lease Receivables

	Minimum lease payments EUR	Present value of minimum lease payments EUR	Minimum lease payments EUR	Present value of minimum lease payments EUR
	31.12.2023	31.12.2023	31.12.2022	31.12.2022
Finance lease receivables				
Up to one year	12,598,768	4,085,613	8,732,993	2,549,106
Years 2 through 5 combined	33,352,404	16,919,592	24,031,415	11,317,527
More than 5 years	-	-	1,347,717	1,347,717
TOTAL, GROSS:	45,951,172	21,005,205	34,112,125	15,214,350

	31.12.2023 EUR	31.12.2022 EUR
Unearned finance income		
Up to one year	8,513,155	6,183,887
Years 2 through 5 combined	16,432,812	12,713,888
More than 5 years	-	-
TOTAL, GROSS:	24,945,967	18,897,775

	31.12.2023 EUR	31.12.2022 EUR
Finance lease receivables		
Non-current finance lease receivables	16,919,592	12,665,244
Accrued interest and handling fee - long term	-	-
Current finance lease receivables	3,405,457	2,152,205
Accrued interest and handling fee	680,156	396,901
TOTAL, GROSS:	21,005,205	15,214,350

	Non-Current 31.12.2023 EUR	Current 31.12.2023 EUR	Non-Current 31.12.2022 EUR	Current 31.12.2022 EUR
Finance lease receivables, net				
Finance lease receivables	16,919,592	3,405,457	12,665,244	2,152,205
Accrued interest and handling fee	-	680,156	-	396,901
Fees paid and received upon loan disbursement	836,121	168,288	751,603	117,948
Impairment allowance	-	-	-	-
	17,755,713	4,253,901	13,416,847	2,667,054

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

14. Finance Lease Receivables (continued)

31.12.2022				
<i>Finance lease receivables</i>	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	11,966,797	275,513	19,277	12,261,587
Days past due up to 35 days	1,880,036	399,181	26,588	2,305,805
Days past due up to 60 days	-	411,489	59,948	471,437
Days past due over 60 days	-	-	175,521	175,521
TOTAL, GROSS:	13,846,833	1,086,183	281,334	15,214,350
	-	-	-	-
31.12.2023				
<i>Finance lease receivables</i>	Stage 1	Stage 2	Stage 3	TOTAL
Not past due	15,153,367	404,831	694	15,558,892
Days past due up to 35 days	2,798,747	1,098,508	12,715	3,909,970
Days past due up to 60 days	-	828,767	22,415	851,182
Days past due over 60 days	-	-	685,161	685,161
TOTAL, GROSS:	17,952,114	2,332,106	720,985	21,005,205
	-	-	-	-
<i>Finance lease receivables</i>	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	13,846,833	1,086,183	281,334	15,214,350
Transfer to Stage 1	212,774	(212,774)	-	-
Transfer to Stage 2	(1,231,409)	1,231,409	-	-
Transfer to Stage 3	(806,117)	(123,278)	929,395	-
New financial assets acquired	9,511,400	807,847	256,128	10,575,375
Receivables settled	(1,161,733)	(25,010)	(10,813)	(1,197,556)
Receivables written off	(591,697)	(46,651)	(177,256)	(815,604)
Sold debts written off	(576,590)	(147,073)	(190,633)	(914,296)
Receivables partially settled	(1,251,347)	(238,547)	(367,170)	(1,857,064)
Foreign exchange movements	-	-	-	-
Balance at 31 December 2023	17,952,114	2,332,106	720,985	21,005,205
	-	-	-	-
31.12.2023				31.12.2022
EUR				EUR
Fair value	33,053,224			25,041,850
TOTAL:	33,053,224			25,041,850

15. Non-current assets held for sale

	31.12.2023	31.12.2022
	EUR	EUR
Other non-current assets held for sale, net		
Reposessed collateral	584,368	941,138
Impairment allowance	(271,745)	(356,145)
	312,623	584,993

Reposessed collaterals are vehicles taken over by the Company in case of default by the Company's clients on the related lease agreements. After the default of the client, the Company has the right to repossess the vehicle and sell it to third party. The Company does not have the right to repossess, sell or pledge the vehicle in the absence of default by Company's clients. The Company usually sells the reposessed vehicles within 90 days after repossession

16. Trade receivables

	31.12.2023	31.12.2022
	EUR	EUR
Receivables from RMS	83,885	68,626
Receivables from related parties (mogo JSC)	8,675	5,895
	92,560	74,521

17. Other receivables

	31.12.2023	31.12.2022
	EUR	EUR
Other debtors	33,596	14,036
CIT paid in advance	3,402	-
TOTAL:	36,998	14,036

The classification of the year 2022 financial statements has been revised to reflect the year 2023 financial statements presentation. The following reclassifications have been made:
9773.15 EUR Early return fee was reclassified from "Finance lease receivables" to "Other receivable".

These changes are also consistent with the Company's internal reporting and provide relevant information to its stakeholders.

All receivables are expected to be paid within the following year.

18. Share capital

The share capital of the Company is EUR 3 900 000 and consists of 1 560 000 shares. The par value of each share is EUR 2,50. All the shares are fully paid.

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 1/20 of net profit are compulsory until the reserve reaches 1/10 of the share capital. According to the legislation this reserve can be used only for covering losses.

The Company's shares consist of ordinary shares. All ordinary shares confers the right to votes and the right to received dividends.

The movements on the Share capital caption during the year are as follows:

	Share capital EUR
Opening balance at 01.01.2022	2,500
Issued newly shares	3,897,500
Subscriptions	-
Redemptions	-
Closing balance at 31.12.2022	3,900,000
Opening balance at 01.01.2023	3,900,000
Issued newly shares	-
Subscriptions	-
Redemptions	-
Closing balance at 31.12.2023	3,900,000

19. Borrowings

Non-current

	Interest rate per annum (%)	Maturity	31.12.2023	31.12.2022
<i>Loans from related parties</i>			EUR	EUR
Loan from related parties	13.00%	10/11/2025	9,100,500	12,977,500
TOTAL:			9,100,500	12,977,500
<i>Other borrowings</i>				
Financing received from P2P investors	6.5%-14%	31/12/2026	4,299,833	-
TOTAL:			4,299,833	-
TOTAL NON CURRENT BORROWINGS:			13,400,333	12,977,500

Current

	Interest rate per annum (%)	Maturity	31.12.2023	31.12.2022
<i>Other borrowings</i>			EUR	EUR
Financing received from P2P investors	6.5%-14%	31/12/2026	3,969,843	-
Accrued interest for loans from related parties			101,994	154,552
Accrued interest for financing received from P2P investors			34,382	-
TOTAL:			4,106,219	154,552

20. Taxes payable

	31.12.2023	31.12.2022
	EUR	EUR
VAT	21,131	4,059
Other taxes and duties	7,752	-
	28,883	4,059

21. Other liabilities

	31.12.2023	31.12.2022
	EUR	EUR
Payables for attracted funding through P2P platform	69,682	-
	69,682	-

22. Accrued liabilities

	31.12.2023	31.12.2022
	EUR	EUR
Other accrued liabilities for received services	286,091	307,099
	286,091	307,099

23. Related parties disclosures

Related parties are defined as subsidiaries and associates of the Company as well as shareholders that have the ability to control the Company or exercise significant influence over the Company in making financial and operating decisions, members of the key management personnel of the Company or its parent company, and close members of the families of any individual referred to previously and entities over which these persons exercise significant influence or control.

Receivables from related companies

	31.12.2023	31.12.2022
<i>Current</i>	EUR	EUR
Receivables from mogo LT, UAB	8,675	5,895
TOTAL:	8,675	5,895

Payables to related companies

	31.12.2023	31.12.2022
<i>Current</i>	EUR	EUR
Other payables to mogo LT, UAB	3,529	39
Accrued interest payable to parent company	101,994	154,552
Accrued liabilities for management service Eleving Stella, AS	82,763	58,195
Accrued liabilities for service mogo LT, UAB	153,181	129,150
TOTAL:	341,467	341,937

	31.12.2023	31.12.2022
<i>Non-current</i>	EUR	EUR
Loans from related parties	9,100,500	12,977,500
TOTAL:	9,100,500	12,977,500

Transactions with related parties for years 2023 and 2022 were as follows:

Services received from related companies

	31.12.2023	31.12.2022
	EUR	EUR
Interest expenses to mogo LT UAB	1,799,697	1,589,069
Reposessed collaterals sold to mogo LT UAB	-	42,563
Assets purchased from mogo LT UAB	-	153,245
Other services Mogo Sp. z o.o.	-	625
Cost allocation from mogo LT UAB*	1,838,564	418,020
Other services from mogo LT UAB		52,995
Management fee to Eleving Stella AS	650,551	440,719
	4,288,812	2,697,236

*During the year 2023 the personnel related and other cost were allocated from mogo LT UAB amounted to 1 838 564 EUR (418 020 EUR in 2022)

24. Financial risk management

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

Operational risks

Compliance risk

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

Regulatory risks

The Company's operations are subject to regulation by a variety of consumer protection, financial services and other state authorities in various jurisdictions, including, but not limited to, laws and regulations relating to consumer loans and consumer rights protection, debt collection and personal data processing. The Company closely monitors all the changes in regulatory framework. The Company employs both in-house as well as outsourced legal specialists to assist in addressing any current or future regulatory developments that might have an impact on Company's business activities.

Anti-money laundering and Know Your Customer laws compliance risk

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

Privacy, data protection compliance risk

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

Market risks

The Company 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.

Financial risks

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

Interest rate risk

The Company is not exposed to interest rate risk because all of its interest bearing assets and liabilities are with a fixed interest rate.

Capital risk management

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

The Company manages its capital to ensure that it will be able to continue as going concern. In order to maintain or adjust the capital structure, the Company may attract new credit facilities or increase its share capital.

Foreign currency risk

Company do not have currency risk by issuing loans and funding local operations only in EUR.

Credit risk

The Company is exposed to credit risk through its finance lease receivables, loans and advances to customers and related parties as well as cash and cash equivalents. The key areas of credit risk policy cover the lease granting process (including solvency check of the lease), monitoring methods, as well as decision making principles.

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

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

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

Excessive risk concentration

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

To avoid excessive concentrations of risk, the Company is maintaining a diversified portfolio. Its main product is subprime lease, however it is also offering near prime lease, as well as loans and advances to customers.

Impairment of financial assets

24. Financial risk management (continued)

The measurement of impairment losses under IFRS9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include Probability of Default and Loss Given Default, judgment is applied also when determining significant increase in credit risk.

Risk Management Services OU has issued CDS for all lease portfolio of the Company. Management of the Company has made judgement that financial guarantee contract (CDS) held by the Company is an integral element of another financial instrument in the scope of IFRS 9. Factors considered by the management whether a financial guarantee contract is integral to the debt instrument are as follow:

- the guarantee is implicitly part of the contractual terms of the debt instrument as the loan/lease agreement refers to it;
- the financial guarantee contract is entered at the same time as and in contemplation of the debt instrument;
- business purpose - the guarantee and the loan have been contracted in contemplation of one another, i.e., the loan would not have been contracted without the guarantee and the Company would not have FGC expenses, if the loan would not have been issued.
- the fee is calculated considering projected losses and a mark-up, the counterparty has ensured its profitability in a long run

The Company concludes, that CDS is an integral element of a debt instrument and is accounted for as a component of that instrument (is not recognised separately). The Company has transferred its credit risk to the issuer, therefore no impairment has been calculated. Maximum exposure to the credit risk of the Company is 21 005 205 EUR in 2023 (15 214 350 EUR in 2022) (see Note 14).

Liquidity risk

The Company manages its liquidity risk by arranging an adequate amount of committed credit facilities with related parties and by issuing bonds and P2P platforms.

The table below presents the cash flows payable by the Company and to the Company under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow. Cash flow payable for borrowings includes estimated interest payments assuming principal is paid in full at maturity date.

	Carrying value	Contractual cash flows				Total
		On demand	Up to 1 year	1-5 years	More than 5 years	
As at 31.12.2023	EUR	EUR	EUR	EUR	EUR	EUR
Assets						
Cash in bank	142,381	142,381				142,381
Trade receivables	92,560		92,560			92,560
Other loans and receivables	1,000		1,000			1,000
Finance lease receivables	22,009,614		12,598,768	33,352,404	-	45,951,172
Total undiscounted financial assets	22,245,555	142,381	12,692,328	33,352,404	-	46,187,113
Liabilities						
Borrowings (do not include I/C borrowings)	(8,304,058)		(5,020,781)	(6,398,267)		(11,419,048)
Borrowings (only I/C borrowings)	(9,202,494)			(11,437,173)		(11,437,173)
Other liabilities (do not include I/C liabilities)	(669,862)		(669,862)			(669,862)
Other liabilities (only I/C liabilities)	(239,473)		(239,473)			(239,473)
Total undiscounted financial liabilities	(18,415,887)	-	(5,930,116)	(17,835,440)	-	(23,765,556)
Net undiscounted financial assets / (liabilities)	3,829,668	142,381	6,762,212	15,516,964	-	22,421,557

	Carrying value	Contractual cash flows				Total
		On demand	Up to 1 year	1-5 years	More than 5 years	
As at 31.12.2022	EUR	EUR	EUR	EUR	EUR	EUR
Assets						
Cash in bank	91,719	91,719				91,719
Trade receivables	74,521		74,521			74,521
Other loans and receivables	16,427	15,509	1,000			16,509
Finance lease receivables	16,083,901		8,732,993	24,031,415	1,347,717	34,112,125
Total undiscounted financial assets	16,266,568	107,228	8,808,514	24,031,415	1,347,717	34,294,874
Liabilities						
Borrowings (only I/C borrowings)	(13,132,052)			(18,029,256)		(18,029,256)
Other liabilities (do not include I/C liabilities)	(270,203)		(270,203)			(270,203)
Other liabilities (only I/C liabilities)	(187,384)		(187,384)			(187,384)
Total undiscounted financial liabilities	(13,589,639)	-	(457,587)	(18,029,256)	-	(18,486,843)
Net undiscounted financial assets / (liabilities)	2,676,929	107,228	8,350,927	6,002,158	1,347,717	15,808,031

25. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

The Company does not have any assets or liabilities stated at fair value, classified at fair value within Level 1 or Level 2 and Level 3.

Company has not presented in separate disclosure classification levels of fair value information for the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Trade and other receivables, cash and cash equivalents, and trade and other payables carrying amount is reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

Fair value of finance lease and loan receivables is not smaller from the carrying value, which is present value of minimum lease and loan payments discounted using effective agreement interest rate and adjusted for impairment allowance.

Fair value of current and non-current borrowings is based on cash flows discounted using effective agreement interest rate which represents current market rate. The Company's management believes that interest rates applicable to loan portfolio and borrowings are in line with current market interest rates for companies similar to UAB Renti.

The management recognizes that if a fair value of such assets/liabilities would be assessed as an amount at which an asset could be exchanged or liability settled on an arm's length basis with knowledgeable third parties, the fair values obtained of the respective assets and liabilities would not be materially different.

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

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

	Carrying value 31.12.2023 EUR	Fair value 31.12.2023 EUR	Carrying value 31.12.2022 EUR	Fair value 31.12.2022 EUR
Assets for which fair value is disclosed				
Loans to related parties (do not include loans to mogo group companies)	-	-	-	-
Finance lease receivables	22,009,614	33,053,224	16,083,901	25,041,850
Loans and advances to customers	-	-	-	-
Other non-current financial assets	-	-	-	-
Loans to non-related parties	-	-	-	-
Trade receivables	92,560	92,560	74,521	74,521
Other loans and receivables	1,000	1,000	16,427	16,427
Other short term receivables from related parties (do not include receivables from mogo group companies)	-	-	-	-
	142,381	142,381	91,719	91,719
Cash and cash equivalents				
Total assets for which fair value is disclosed	22,245,555	33,289,165	16,266,568	25,224,517
Liabilities for which fair value is disclosed				
<i>Borrowings</i>				
Loan from related parties (do not include loans from mogo group companies)	(0)	(0)	(0)	(0)
Loan from related parties	9,202,494	9,202,494	13,132,052	13,132,052
Mogo Finance S.A. bonds				
Mogo AS bonds				
Lease liabilities for right-of-use assets	-	-	-	-
Long term loan from banks	-	-	-	-
Financing received from P2P investors	8,304,058	8,324,672	-	-
Other borrowings				
Trade payables	117,141	117,141	77,444	77,444
Other liabilities	792,194	792,194	380,143	380,143
Total liabilities for which fair value is disclosed	18,415,887	18,436,501	13,589,639	13,589,639
Liabilities measured at fair value				
Other financial liabilities	-	-	-	-
Total liabilities measured at fair value and liabilities for which fair value is disclosed	18,415,887	18,436,501	13,589,639	13,589,639

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

	Level 1 31.12.2023	Level 2 31.12.2023	Level 3 31.12.2023	Level 1 31.12.2022	Level 2 31.12.2022	Level 3 31.12.2022
	EUR	EUR	EUR	EUR	EUR	EUR
Assets for which fair value is disclosed						
Loans to related parties (do not include loans to mogo group companies)	-	-	-	-	-	-
	-	-	33,053,224	-	-	25,041,850
Finance lease receivables	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Loans to non-related parties	-	-	-	-	-	-
Trade receivables	-	-	92,560	-	-	74,521
Other loans and receivables	-	-	1,000	-	-	16,427
Other short term receivables from related parties (do not	-	-	-	-	-	-
	142,381	-	-	91,719	-	-
Cash and cash equivalents						
Total assets for which fair value is disclosed	142,381	-	33,146,784	91,719	-	25,132,798
Liabilities for which fair value is disclosed						
<i>Borrowings</i>						
Loan from related parties (do not include loans from mogo	-	-	-	-	-	-
	-	-	-	-	-	-
Mogo Finance S.A. bonds	-	-	-	-	-	-
Mogo AS bonds	-	-	-	-	-	-
Lease liabilities for right-of-use assets	-	-	-	-	-	-
Long term loan from banks	-	-	-	-	-	-
Financing received from P2P investors	-	-	8,324,672	-	-	-
Other borrowings	-	-	-	-	-	-
Trade payables	-	-	117,141	-	-	77,444
Other liabilities	-	-	792,194	-	-	380,143
Total liabilities for which fair value is disclosed	-	-	9,234,007	-	-	457,587
Liabilities measured at fair value						
Other financial liabilities	-	-	-	-	-	-
Total liabilities measured at fair value and liabilities for which fair value is disclosed	-	-	9,234,007	-	-	457,587

26. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company considers total capital under management to be equity as shown in the statement of financial position.

The amount of capital that the Company managed as of 31.12.2023 was 4 253 689 EUR (2022: 3 318 627 EUR).

Management reviews its capital position on a regular basis to maintain sufficient funds in order to support the medium and long-term strategic goals of the Company.

27. Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings, in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. At year end, the Company had several unresolved legal claims, none of them individually neither in aggregate are significant to the Company.

28. Events after balance sheet date

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

Signed on behalf of the Company on 1 July 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief accountant