



PART OF ELEVING GROUP

Limited liability company Mogo LT

Unified registration number 302943102

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	"mogo LT"
Legal status of the Company	PRIVATE LIMITED LIABILITY COMPANY
Unified registration number, place and date of registration	302943102, Lithuania, Vilnius, 31 December 2012
Registered office	Laisvės av. 10A, Vilnius, Lithuania
Major shareholders	Since 28.06.2023: Eleving Stella, SA (96,2%) Skanstes str. 52, Riga, LV-1013, Latvia
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 Skrebneviskis, Licence number 000471

Management report

28 June 2024

General information

The private limited liability company "mogo LT" (hereinafter referred to as the "Company") was registered on 31 December 2012 in accordance with the procedure laid down by the Republic of Lithuania Law on Companies, legal entity registration number 302943102. 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. Main employer - UAB "mogo LT". Other companies in which managerial positions are currently held:

Legal entity name and registration no.	Registered office (address) of the company	Position held
Renti UAB, 305653232	Laisvės av. 10A, Vilnius	Director
Primerio Finance UAB, 305600347	Laisvės av. 10A, Vilnius	Director

UAB "Mogo LT" (hereinafter – the Company) is a Financial lease and Lease-back solutions company providing fast and convenient services to consumers and legal entities in Lithuania. Financial lease is a service where the customer wants to buy a vehicle and the Company finances this purchase. Vehicle lease-back is a service where the Company provides a loan to a customer against a vehicle that the customer owns. In both instances the vehicle is used as a collateral and hence these loans are secured. In addition, Company is providing Car loan, which is the consumer loan with the purpose to purchase the vehicle. The Company offers Financial lease, Lease-back and Car loan up to EUR 15 000 with contract maturity ranging up to seven years. Financing is offered at multiple branch offices as well as through a vast partners' network.

In 2023, the Company's fully paid up and formed authorized capital totaled to EUR 28 960 which consists of 1 000 shares. The par value of each share is EUR 28,96. 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 shareholder are:

Shareholder	Registration number	Number of shares held, units	Percentage of shareholding	Nominal value, EUR
AS Eleving Stella	40103964830	962	96.20%	28,96
Laura Pivorienė		4	0.40%	28,96
Sonata Šablinskaitė - Braškienė		4	0.40%	28,96
Laurynas Dzindzelėta		30	3.00%	28,96

90,43 % of the shares of AS Eleving Stella is held by AS Eleving Vehicle Finance (42103088260). 98,53 % of the shares of AS Eleving Vehicle Finance is held by Eleving group S.A. (B174457). 43,67 per cent of the shares of Eleving group S.A. is held by SIA ALPPES Capital (52103097551) respectively, 100 per cent of the shares of SIA ALPPES Capital is held by AIGARS KESENFELDS.

On 10 March 2021, the Company acquired 100% of all shares of the Company UAB "Renti", a private limited liability company incorporated and existing under the laws of the Republic of Lithuania, legal entity's code: 305653232, registered office address: Laisvės av. 10A, Vilnius, Lithuania.

As of 31 December 2023, the Company's subsidiaries were:

Subsidiaries	Registration number	Address	Shareholding %	Investment amount (acquisition cost), EUR	Profit (loss) of the reporting year, EUR	Equity, EUR
Renti UAB	305653232	Laisvės av. 10A, Vilnius	100%	3 900 000	935 062	4 253 689

By the end of 2023 the Company had 4 own branches in 4 cities in Lithuania covering most areas with the highest density and economic activity. The Company's services are also accessible at several of other places in regions (intermediaries and car dealers).

In addition to servicing clients at its own customer service centers the Company further works on expanding its network of car dealerships cooperation across the country.

As of 31 December 2023, the Company's branches were:

Branches	Address
Kauno automobilių turgus	Taikos pr. 141B, Kaunas
Gariūnų autoverslo centras	Gariūnų g. 49, Vilnius, 420 aikštelė
Šiauliai	Serbentų g. 220, Šiauliai
Klaipėda	Minijos g. 62, Klaipėda

A word from the Director

In 2023 the alternative non-bank financing market demonstrated steady growth, resulting in an increased demand of services, such as financial lease and car loan. In UAB "mogo LT" (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 or lease-back 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 slightly, as it diversifies its activities through subsidiary Renti, UAB. Although the portfolio grew, total amount of client portfolio decreased in 2023 due to a higher number of terminated contracts and was EUR 10,24 million (in 2022 – EUR 11,52 million). 2023 At the end of 2023, the Company acquired an additional portfolio from Primero Finance, UAB for EUR 2,49 million.

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

In 2023, the change in equity is due to the recognition of a current year result and payment of dividends for the year 2022.

The Company's main goal remained to help individuals and small businesses 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 related parties for a total amount of EUR 20,72 million 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 loans 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). Although the rise in EURIBOR was generally favorable for the financing sector, the Company is not active in the floating rate segment of the market and therefore faced additional challenges in fixed interest rates on consumer loans and car loan which are subject to limited repricing possibilities.

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 return to growth of the 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 kept focus on used vehicle financing solutions operating in non-profit intermediary area. To maintain its 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 in 2023 increased by 74%. 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 27 of these financial statements.

Signed on behalf of the Company on 28 June 2024 by:

Laurynas Dzindzelėta
Director

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Mogo LT, UAB:

Opinion

We have audited the financial statements of Mogo LT, 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 2 June 2023 regarding the impairment of accounts receivable resulting from the credit default swap agreement.

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
28 June 2024

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

Financial Statements

Statement of Comprehensive Income

		2023 EUR	2022 (corrected*) EUR
Interest revenue calculated using the effective interest method	4	5,254,926	7,143,549
Interest expense calculated using the effective interest method	5	(3,331,463)	(2,611,507)
Net interest income		1,923,463	4,532,042
Fee and commission income/(loss)	6	129,100	152,896
Impairment expense	7	(330,447)	(235,962)
Net gain/(loss) from de-recognition of financial assets measured at amortized cost	8	910	459,566
Expenses related to peer-to-peer platform services		(35,534)	(45,648)
Selling expense	9	(104,180)	(160,774)
Administrative expense	10	(1,373,749)	(1,612,174)
Other operating income	11	559,168	704,845
Other operating expense	12	(341,775)	(435,441)
Profit before tax		426,956	3,359,350
Corporate income tax	13	(46,196)	(338,743)
Deferred corporate income tax	13	692	5,399
Net profit for the period		381,452	3,026,006
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		381,452	3,026,006

*Information on the correction is provided in Note 11.

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

Signed on behalf of the Company on 28 June 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief Accountant

Statement of Financial Position

ASSETS		31.12.2023	31.12.2022
		EUR	EUR
NON-CURRENT ASSETS			
Intangible assets			
Other intangible assets	14	-	171
Total intangible assets		-	171
Tangible assets			
Right-of-use assets	14	145,088	242,692
Property, plant and equipment	14	72,817	90,874
Leasehold improvements	14	21,857	-
Total tangible assets		239,762	333,566
Non-current financial assets			
Finance lease receivables	15	2,340,276	4,919,314
Loans and advances to customers	16	4,177,243	1,597,558
Loans to related parties	17	9,100,500	12,977,500
Investments in subsidiaries	29	3,900,000	3,900,000
Deferred tax asset	13	19,195	18,503
Total non-current financial assets		19,537,214	23,412,875
TOTAL NON-CURRENT ASSETS		19,776,976	23,746,612
CURRENT ASSETS			
Inventories			
Purchased vehicles held for sale		6,883	43,889
Total inventories		6,883	43,889
Receivables and other current assets			
Finance lease receivables	15	2,716,482	4,208,739
Loans and advances to customers	16	1,008,130	794,840
Loans to related parties	17	-	154,552
Non-current assets held for sale	18	10,329	64,731
Trade receivables	19	1,315,916	1,264,760
Prepaid expense		61,501	62,816
Other receivables	20	824,497	757,501
Accrued revenue		-	462
Total receivables and other current assets		5,936,855	7,308,401
Cash and cash equivalents	21	259,884	127,106
TOTAL CURRENT ASSETS		6,203,622	7,479,396
TOTAL ASSETS		25,980,598	31,226,008

Statement of Financial Position

EQUITY AND LIABILITIES		31.12.2023	31.12.2022
EQUITY		EUR	EUR
Share capital	22	28,960	28,960
Share premium		-	-
Reserve for B category shares		-	-
Reserve		2,896	2,896
Foreign currency translation reserve		-	-
Retained earnings/(losses)		2,667,064	3,285,612
brought forward		2,285,612	259,606
for the period		381,452	3,026,006
TOTAL EQUITY		2,698,920	3,317,468
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	32	-	389,686
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		-	389,686
LIABILITIES			
Non-current liabilities			
Borrowings	23	20,581,838	25,954,118
Total non-current liabilities		20,581,838	25,954,118
Current liabilities			
Borrowings	23	2,259,462	1,018,583
Prepayments received from customers		12,422	28,437
Trade payables		23,769	78,775
Payables to related parties		8,675	77,981
Corporate income tax payable	13	46,196	-
Taxes payable	24	73,791	49,587
Other liabilities		3,071	13,037
Accrued liabilities	25	272,454	298,336
Total current liabilities		2,699,840	1,564,736
TOTAL LIABILITIES		23,281,678	27,518,854
TOTAL EQUITY AND LIABILITIES		25,980,598	31,226,008

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

Signed on behalf of the Company on 28 June 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	28,960	249,983	2,016,755	2,295,698
Profit for the reporting year	-	-	3,026,006	3,026,006
Other comprehensive income	-	-	-	-
Transfer to legal reserve	-	(247,087)	247,087	-
Dividends distribution	-	-	(2,263,842)	(2,263,842)
Net result of original guarantee derecognition and recognition of modified guarantee	-	-	259,606	259,606
Balance at 31.12.2022	28,960	2,896	3,285,612	3,317,468
Balance at 01.01.2023	28,960	2,896	3,285,612	3,317,468
Profit for the reporting year	-	-	381,452	381,452
Other comprehensive income	-	-	-	-
Transfer from legal reserve	-	-	-	-
Dividends distribution	-	-	(1,000,000)	(1,000,000)
Other provisions	-	-	-	-
Balance at 31.12.2023	28,960	2,896	2,667,064	2,698,920

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

Signed on behalf of the Company on 28 June 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief Accountant

Statement of Cash Flows

		31.12.2023	31.12.2022
		EUR	EUR
Cash flows to/from operating activities			
Profit before tax from continuing operations		426,956	3,158,188
Adjustments for:			
Amortisation and depreciation	14	137,018	50,365
Interest expense	5	3,680,346	2,611,506
Interest income	4	(5,254,926)	(7,161,374)
Disposals of property, equipment and intangible assets	14	7,450	1,013
Increase/ (decrease) of impairment	7	330,447	235,962
Elimination of other non-cash items	11	(389,686)	(201,162)
Operating profit before working capital changes		(1,062,396)	(1,305,502)
Decrease/ (increase) in inventories		37,006	(43,889)
Decrease/ (increase) in finance lease receivables, loans and advances to customers, trade and other receivables		860,018	5,879,775
Decrease/ (increase) in advances received and trade payables and guarantees		(126,089)	(790,649)
Cash generated to/from operations		(291,461)	3,739,735
Interest received		5,409,478	7,092,604
Interest paid	23	(3,857,729)	(1,162,733)
Corporate income tax paid		-	(647,800)
Net cash flows to/from operating activities		1,260,289	9,021,807
Cash flows to/from investing activities			
Purchase of property and equipment and other intangible assets	14	(50,493)	(34,045)
Loan repayments received from related parties		7,100,000	178,000
Loans issued to related parties		(3,223,000)	(9,042,000)
Loans repayments from non-related parties		-	1,920
Net cash flows to/from investing activities		3,826,507	(8,896,125)
Cash flows to/from financing activities			
Proceeds from borrowings	23	55,319,762	24,921,626
Repayments for borrowings	23	(59,142,072)	(22,269,799)
Payments for borrowings acquisition costs	23	(1,569)	-
Repayment of liabilities for right-of-use assets	23	(130,140)	(531,895)
Dividends paid	22	(1,000,000)	(2,263,842)
Net cash flows to/from financing activities		(4,954,018)	(143,910)
Change in cash		132,778	(18,229)
Net foreign exchange difference			
Cash at the beginning of the year		127,106	145,335
Cash at the end of the year	21	259,884	127,106

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

Signed on behalf of the Company on 28 June 2024 by:

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief Accountant

Notes to the Financial Statements

1. Corporate information

UAB "mogo LT" (hereinafter – the Company) was registered with the Registry Center of Republic of Lithuania on 31 December 2012. The registered office of the Company is at Laisvės av. 10A, Vilnius, Lithuania. At the end of the accounting financial year, the Company's major shareholder is Eleving Stella AS registered in Latvia, registration number 40103964830, which owns 96.20% of the Company's equity.

90.43 % of the shares of AS Eleving Stella is held by AS Eleving Vehicle Finance (42103088260). 98.53 % of the shares of AS Eleving Vehicle Finance is held by Eleving group S.A. (B174457). 43.67 per cent of the shares of Eleving group S.A. is held by SIA ALPPES Capital (52103097551) respectively, 100 per cent of the shares of SIA ALPPES Capital is held by AIGARS KESENFELDS.

2021 on March 10th, the Company acquired 100% of all shares of the Company UAB "Renti", a private limited liability company incorporated and existing under the laws of the Republic of Lithuania, legal entity's code:305653232, registered office address: Laisvės av. 10A, Vilnius, Lithuania.

The core business activity of the Company comprises of providing finance lease services, leaseback services and consumption loans.

These financial statements have been approved for issue by the Shareholder on 28 June 2024

The Company does not prepare consolidated financial statements, uses the exception of the Law on Consolidated Financial Statements of Enterprises of the Republic of Lithuania.

Consolidated financial statements are not prepared as the Company meets all the following criteria:

- the company is a wholly owned subsidiary (all shares of the Company are owned by its parent company Eleving Group S.A);
- the company's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
- the company has not filed, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
- the ultimate or any intermediate parent of the company produces financial statements that are available for public use and comply with the Standards, such that subsidiaries are either consolidated or measured at fair value through profit or loss in accordance with IFRS 10.

The total number of employees at the end of the December 2023 was 47 (2022: 54).

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, 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.

Changes in accounting policies (*continued*)

(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, licenses 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.

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 (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 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 loan to a customer or finance lease receivable when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan or 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 loans 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 advances to customers and finance 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 to 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 loans/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/loan restructured when such modifications are provided because 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 statement 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 receivable 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 and loan portfolio. This transaction is considered as credit enhancement. The 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.

The Company segregates finance lease receivables and loans and advances to customers 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

Loans and advances to customers (loan):

- 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 and loans into Stage 1, Stage 2, and Stage 3 even though no impairment loss is calculated:

- Stage 1: When loans/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 loan/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 and loans 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 and loan portfolio. This transaction is considered as credit enhancement.

Impairment for loans to related parties

Receivables from related parties are inherently subject to the Company's credit risk. Therefore, a benchmarked PD and LGD rate - based on Moody's corporate statistics studies has been applied in determining the ECLs. For related party exposures for the Stage 2 and lifetime ECL calculation is applied based on 30 days back stop and 90 day back stop is applied to Stage 3 determination.

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 guarantees

Guarantees that are not integral to loan contractual terms are accounted as separate units of accounts subject to ECL. For this purpose, the Company estimates ECLs based on the value of the expected payments to reimburse the holder for a credit loss that it would incur. ECLs are calculated on an individual basis.

The ECL allowance is based on the credit losses expected to arise over the life of the guarantee, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12months ECL. The Company's policy and judgements for determining if there has been a significant increase in credit risk are set out in Note 3.

Accounting policies (continued)

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

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

- Loans and borrowings

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

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization 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.

Accounting policies (*continued*)

Provisions for financial guarantees and equity

Where a contract meets the definition of a financial guarantee contract the Company, as an issuer, applies specific accounting and measurement requirements of IFRS 9. These IFRS 9 measurement requirements are applied for all guaranteed contracts, including guarantees issued between entities under common control, as well as guarantees issued by a subsidiary on behalf of a parent. If a Company gives a guarantee on behalf of an entity under common control, the respective provision is recognized in the separate financial statements.

Where transaction is driven by the Company's shareholders in their capacity as owners, the Company treats such transactions as an increase in Provisions for financial guarantees and an equal and opposite decrease in equity (as a distribution of equity). Distributions of equity under financial guarantees are recognized in equity.

Financial guarantees are initially recognized as fair value. Subsequently, unless the financial guarantee contract is designated at inception as at fair value through other comprehensive income, the Company's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of comprehensive income, and ECL provision determined in accordance with IFRS 9 (as set out in Note 3).

Amortization is recognized in the statement of comprehensive income under Other operating income on a straight-line basis over the term of the guarantee.

Financial guarantees are derecognized if the terms of the guarantee are substantially changed. Changes in guarantee limit are treated as a derecognition. In such cases the original guarantee is derecognized and a new guarantee is recognized at fair value. Change in the fair value is recognized as a decrease or increase in Provisions for financial guarantees and an equal and opposite decrease or increase to equity. Equity is transferred to retained earnings upon extinguishment of liabilities under the financial guarantee.

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

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 leases" (Note 10).

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.

Accounting policies (*continued*)

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.

Operating lease – Company as lessee

Lease liability

Initial recognition

At the commencement date of the lease the Company measures the lease liability at the present value of the lease payments that are not paid at that date in accordance with the lease term. Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company has elected for all classes of underlying assets not to separate non-lease components from lease components in lease payments. Instead, the Company accounts for each lease component and any associated non-lease components as a single lease component. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease term is the non-cancellable period for which the Company has the right to use an underlying asset, together with both:

- (a) Periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and
- (b) Periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

At the commencement date, the Company assesses whether it is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease.

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications specified, or to reflect revised in-substance fixed lease payments.

Right-of-use assets

Initial recognition

At the commencement date of the lease, the Company recognises right-of-use asset at cost. The cost of a right-of-use asset comprises:

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

Sale and leaseback transactions

The Company also engages in financing of vehicles already owned by the customers. Under such leaseback transactions the Company purchases the underlying asset and then leases it back to the same customer. Vehicle serves as a collateral to secure all leases. The Company applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the buyer-lessor shall not recognize the transferred asset and shall recognize a financial asset equal to the transfer proceeds. It shall account for the financial asset as loans and advances to customers by applying IFRS 9.

The Company has performed SPPI test for its sale and leaseback arrangements. Vehicle serves as collateral to secure all such loans. Sale and leaseback contracts include contractual terms that can vary the contractual cash flows in a way that is unrelated to a basic lending arrangement. Such cash flows arise in the case of borrowers' default and are related to repossessed car sales for which any excess gains can be retained by the Company in certain jurisdictions and commissions and other fees charged to the customer that are not directly linked to outstanding principal/interest (e.g. external debt recovery costs being charged to clients with mark-up). Other contract elements relevant to SPPI assessment for components in certain jurisdictions include the leased asset repurchase options, where the option value is below the car market value at the moment of exercise and significant termination penalties for certain non-recourse contracts.

The Company has made relevant judgements and concluded that SPPI test is met in all above circumstances as 1) repossession commissions and fees charged by the Company are intended to cover the costs incurred by the Company in the debt servicing process under regular lending model, 2) the fact that in certain jurisdictions the Company maintains proceeds from sale of repossessed car in excess of recovered exposure (if applicable) is not an evidence that the risk taken up by the Company is in fact the price risk of the car and not the credit risk. The Company is able to sell the collateral and keep any surplus only on default and the occasional trivial gains from the transaction are not the purpose of the core business model (which is to earn interest income from the loan asset) and are not the focus of the business, but instead are just an instrument to minimize the credit losses, 3) termination penalties for non-recourse sale and leaseback transactions charged to the customers in certain jurisdictions are also contractual elements intended to compensate for credit risk and do not result in any notable net gains to the Company.

Inventories

Inventories are valued at the lower of cost and net realizable 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.

Accounting policies (*continued*)

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 include 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.

Investments in subsidiaries

Investments in subsidiaries (i.e. where the Company holds more than 50% interest of the share capital or otherwise controls the company) and associates (i.e. an entity over which the Company has significant influence without control over the financial and operating policy decisions of the investee) are recognized at cost according to IAS 27. Following initial recognition, investments in subsidiaries and associates are carried at cost less any accumulated impairment losses. The carrying values of investments are reviewed for impairment at each statement of financial position date. The Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary or associate and its carrying value, then, recognizes the loss in the statement of comprehensive income.

Dividends received from subsidiaries and associates are recognized in statement of comprehensive income when the Company's right to receive the dividend is established.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

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 20)

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.

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.

Accounting policies (*continued*)

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 separate 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 separate 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 legislative 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 are applied if value added tax is not recoverable on acquisition of 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 considers 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 and advances to customers 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 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.

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 the customer obtains control of the respective good or service. Revenue from contracts with customers is recognized when control of the goods or services is 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.

Accounting policies (*continued*)

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

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 and loans and advances 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 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

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 the minimum sales price based on initial cost or value after repossession plus additional cost incurred (e.g. repairs) and a margin editor to make profit from the deal. The performance obligation is satisfied when the 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 based on 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.

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.

Accounting policies (*continued*)

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.

Dividend distribution

Dividend distribution to the shareholders of the Company is recognized as a liability and distribution of retained earnings in the separate financial statements in the period in which the dividends are approved by the shareholders. (Note 22)

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 financial guarantees, lease liability borrowing and 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 separate financial statements:

Financial guarantees

Fair value (FV) determination and initial recognition

The Company has elected to determine the FV of guarantee using the credit spread method. FV of guarantee is calculated as multiple of EAD, PD and LGD. EAD is the contractual commitment or guaranteed amount per guaranteed agreement (Note 36). Guarantee issued to secure the bond issuance of the ultimate parent of the Company, Mogo Finance S.A.

The Company would incur loss in case Mogo Finance S.A. defaults on obligations towards its bondholders. Accordingly, PD of Mogo Finance S.A. is determined using benchmarking of a comparable similar credit risk entity with reference to the market transactions and default rates obtained from credit rating agencies.

ECL determination for subsequent measurement

For the purposes of FV estimation the Company is using benchmarking of a similar credit risk entity such as the ultimate parent of the Company. Since initial recognition the Company has assessed that ultimate parent's credit risk has not increased and guarantee liability is therefore considered as Stage 1 exposure.

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

IFRS 16 requires that in determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract in accordance with IFRS 15 and determine the period for which the contract is enforceable.

In assessment of lease term determination, the Company considers the enforceable rights and obligations of both parties. If both the lessee and the lessor can terminate the contract without more than an insignificant penalty at any time at or after the end of the non-cancellable term, then there are no enforceable rights and obligations beyond the non-cancellable term.

For lease agreements without a fixed term and agreements that are "rolled over" on monthly basis until either party gives notice the Company considers that it does have enforceable rights and obligations under such agreements, therefore a reasonable estimate of the lease term assessment is made.

In considering the Company's options to extend or not to terminate the lease the Company evaluates what are the rights of the Company and the lessor under such options.

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

Significant accounting judgments, estimates and assumptions *(continued)*

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

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

The Company has used market rates as its incremental borrowing rate. The Company considers market rates used as an appropriate measure for incremental borrowing rates as they correctly reflect the ability to finance a specific asset purchase.

It is further considered that the way local lenders would approach asset financing at each subsidiary level. As per Company's assessment each of the Company's subsidiaries would qualify as a good quality borrower in the local markets in the context of overall the Company results.

Sale and leaseback transactions

Under sale and leaseback transactions the Company purchases the underlying asset and then leases it back to the same customer. To determine how to account for a sale and leaseback transaction, the Company first considers whether the initial transfer of the underlying asset from the seller-lessee (Customer) to the buyer-lessor (the Company) is a sale.

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

	2023	2022
	EUR	EUR
Interest income from finance lease receivables	2,781,369	4,791,350
Interest income from intercompany loans	1,799,697	1,589,069
Interest income from loans and advances to customers	673,860	763,130
TOTAL:	5,254,926	7,143,549

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation. "Interest revenue calculated using effective interest method" was reclassified to "Fee and commission" income, due to separate commissions from interest.

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

	2023	2022
	EUR	EUR
<i>Interest expenses on financial liabilities measured at amortized cost:</i>		
Interest expenses for loans from P2P platform investors	288,920	259,217
Interest expenses for bank liabilities and related parties	3,039,997	2,349,948
Interest expenses for lease liabilities	2,546	2,342
TOTAL:	3,331,463	2,611,507

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation. CDS fee expenses are closer to other operating expenses, so in order to present the data more accurately it was decided to reclassify from "Interest expense calculated using the effective interest method" to "Other operating expense".

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

6. Fee and commission income/(loss)

	2023	2022
	EUR	EUR
<i>Revenue from contracts with customers recognized point in time:</i>		
Income from penalties received	145,191	196,133
Income from commissions	23,874	23,697
TOTAL:	169,065	219,830
<i>Revenue from contracts with customers recognized point in time where the Company acted as an agent:</i>		
Gross income from debt collection activities	8,762	9,590
Gross expenses from debt collection activities	(48,727)	(76,524)
TOTAL:	(39,965)	(66,934)
Total fees and commissions income:	129,100	152,896

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation. "Interest revenue calculated using effective interest method" was reclassified to "Fee and commission" income, due to separate commissions from interest.

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

7. Impairment expense

	2023	2022
	EUR	EUR
Change in impairment in finance lease	-	222,371
Change in impairment in loans and advances to customers	325,684	
Change in impairment in other financial assets	(30,646)	
Written off debts	35,409	13,591
TOTAL:	330,447	235,962

8. Net gain/(loss) from de-recognition of financial assets measured at amortized cost

	2023	2022
	EUR	EUR
<i>Financial lease</i>		
Net gain/(loss) arising from cession of receivables to non related parties	910	459,566
TOTAL:	910	459,566

During the year 2022 the Company performed cessions with Risk Management Services OU and recognized income from this transactions.

9. Selling expense

	2023	2022
	EUR	EUR
Online marketing expenses	92,400	148,985
Other marketing expenses	7,753	9,101
<i>Total marketing expenses</i>	<i>100,153</i>	<i>158,086</i>
Other selling expenses	4,027	2,688
TOTAL:	104,180	160,774

10. Administrative expense

	2023	2022
	EUR	EUR
Employees' salaries	406,720	588,085
Expenses from management fee	663,338	639,414
Amortization and depreciation	35,645	50,548
Professional services	60,481	65,161
Office and branches' maintenance expenses	32,981	45,322
IT services	57,801	43,553
Credit database expenses	44,998	63,504
Employee recruitment expenses	3,882	1,871
Communication expenses	3,619	6,151
Business trip expenses	3,373	6,422
Donations	300	51
Bank commissions	6,436	9,045
Low value equipment expenses	1,705	2,835
Other personnel expenses	7,366	12,502
Transportation expenses	4,322	3,919
Other administration expenses	40,782	73,791
TOTAL:	1,373,749	1,612,174

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation. Non-deductible VAT from operational service fee was reclassified from "Administrative expenses" to "Other operating expenses".

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

Key management personnel compensation

	2023	2022
	EUR	EUR
Members of the Management		
Remuneration*	239,406	282,495
Social security contribution expenses	4,237	5,000
TOTAL:	243,644	287,496

Key management personnel is considered to be all Company's top management employees.

* - Including vacation accruals.

	2023	2022
Average number of employees	3	3

11. Other operating income

	2023	2022
	EUR	EUR
CDS fee	-	-
Income from dividends	-	-
Income from management fee	-	-
Income recognised from amortization of financial guarantee (Note 31)	-	476,643
Income recognised from derecognition of CDS provision	389,686	201,162
Other income	169,482	27,040
TOTAL:	559,168	704,845

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation.
Income recognised from derecognition of CDS fee in 2022 was accounted through capital directly, but in 2023 the accounting method was adjusted and showed through Income statement.
These changes are also consistent with the Company's internal reporting and provide relevant information to its stakeholders.

12. Other operating expense

	2023	2022
	EUR	EUR
Non-deductible VAT from management services	135,085	95,305
Provision expenses for possible withholding tax liabilities	28,446	24,800
Other operating expenses	178,244	315,336
TOTAL:	341,775	435,441

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation. Non-deductible VAT from operational service fee was reclassified from "Administrative expenses" to "Other operating expenses".
These changes are also consistent with the Company's internal reporting and provide relevant information to its stakeholders.

13. Corporate income tax

	2023	2022
	EUR	EUR
Current corporate income tax charge for the reporting year	46,196	338,743
Deferred corporate income tax due to changes in temporary differences	(692)	(5,399)
Corporate income tax charged to the income statement:	45,504	333,344

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	-	-	-	-
Other	-	-	-	-
Gross deferred tax liability	-	-	-	-
Deferred corporate income tax asset				
Unused vacation accruals	(18,009)	(17,724)	(285)	(3,691)
Accelerated depreciation for tax purposes	(1,186)	(779)	(407)	(1,708)
Gross deferred tax asset	(19,195)	(18,503)	(692)	(5,399)
Net deferred tax liability/ (asset)	(19,195)	(18,503)	(692)	(5,399)
In the statement of comprehensive income			46,196	338,743
Net deferred corporate income tax assets	(19,195)	(18,503)		
Net deferred corporate income tax expense/ (benefit)			45,504	333,344

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

	2023	2022
Profit/ (loss) before tax	426,956	3,359,350
Tax at the applicable tax rate of... 15%	64,043	503,903
Deferred tax asset not recognized	(692)	(5,399)
Permanent differences:		
Other	(17,847)	(165,160)
Actual corporate income tax for the reporting year:	45,504	333,344

14. Long term assets

Intangible assets

	Concessions, patents, licenses and similar rights EUR	Other intangible assets EUR	Advance payments for intangible assets EUR	TOTAL EUR
As at 01.01.2022				
Cost	24,611	42,159	-	66,770
Accumulated amortization and impairment	(24,600)	(41,377)	-	(65,977)
Carrying amount	11	782	-	793
2022				
Additions	-	-	-	-
Disposals	(24,611)	(7,595)	-	(32,206)
Amortization of disposed assets	24,600	7,065	-	31,665
Amortization charge	-	(81)	-	(81)
Impairment	-	-	-	-
Reclassification	-	-	-	-
As at 31.12.2022				
Cost	-	34,564	-	34,564
Accumulated amortization and impairment	-	(34,393)	-	(34,393)
Carrying amount	-	171	-	171
As at 01.01.2023				
Cost	-	34,564	-	34,564
Accumulated amortization and impairment	-	(34,393)	-	(34,393)
Carrying amount	-	171	-	171
2023				
Additions	-	-	-	-
Disposals	-	-	-	-
Amortization of disposed assets	-	-	-	-
Amortization charge	-	(171)	-	(171)
Impairment	-	-	-	-
Reclassification	-	-	-	-
As at 31.12.2023				
Cost	-	34,564	-	34,564
Accumulated amortization and impairment	-	(34,564)	-	(34,564)
Carrying amount	-	0	-	0

14. Long term assets (continued)

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 01.01.2022						
Cost	280,051	13,345	-	338,429	-	631,825
Accumulated depreciation and impairment	(170,974)	(13,340)	-	(266,102)	-	(450,415)
Carrying amount	109,078	5	-	72,327	72,327	181,410
2022						
Additions	34,045	-	-	297,324	-	331,369
Cost of disposals	(96,657)	(9,840)	-	(159,492)	-	(265,988)
Accumulated depreciation of disposals	86,002	9,836	-	126,241	-	222,079
Revaluation	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Depreciation charge	(41,595)	-	-	(93,708)	-	(135,303)
As at 31.12.2022						
Cost	303,443	13,340	-	476,261	-	793,044
Accumulated depreciation and impairment	(212,569)	(13,340)	-	(233,569)	-	(459,478)
Carrying amount	90,874	-	-	242,692	-	333,566
As at 01.01.2023						
Cost	303,443	13,340	-	476,261	-	793,044
Accumulated depreciation and impairment	(212,569)	(13,340)	-	(233,569)	-	(459,478)
Carrying amount	90,874	-	-	242,692	242,692	333,566
2023						
Additions	26,658	23,835	-	27,771	-	78,264
Cost of disposals	(26,762)	-	-	(78,579)	-	(105,343)
Accumulated depreciation of disposals	19,313	-	-	60,595	-	79,908
Reclassification	-	-	-	-	-	-
Depreciation charge	(37,265)	(1,978)	-	(107,390)	-	(146,633)
Impairment charge	-	-	-	-	-	-
As at 31.12.2023						
Cost	303,338	37,175	-	425,452	-	765,965
Accumulated depreciation and impairment	(230,521)	(15,318)	-	(280,364)	-	(526,203)
Carrying amount	72,817	21,857	-	145,088	-	239,762

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

15. Finance Lease Receivables (continued)

<i>Finance lease receivables</i>	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	7,505,863	1,325,506	230,156	9,061,525
Transfer to Stage 1	337,269	(336,575)	-	694
Transfer to Stage 2	(448,028)	473,952	(25,923)	0
Transfer to Stage 3	(186,047)	(135,074)	321,121	-
New financial assets acquired	344,064	26,720	42,248	413,032
Receivables settled	(1,780,243)	(138,681)	(13,740)	(1,932,663)
Receivables written off	(28,113)	(454)	(2,591)	(31,157)
Sold debts written off	(67,002)	(131,937)	(135,299)	(334,237)
Receivables partially settled	(1,509,631)	(309,615)	(125,563)	(1,944,809)
Foreign exchange movements	-	-	-	-
Balance at 31 December 2023	<u>4,168,132</u>	<u>773,844</u>	<u>290,409</u>	<u>5,232,385</u>
	0.41	(0.50)	0.24	

Total gross portfolio derecognised from Company financial assets were:

	31.12.2023	31.12.2022
	EUR	EUR
Loan receivable	-	984
TOTAL:	<u>-</u>	<u>984</u>

	31.12.2023	31.12.2022
	EUR	EUR
Fair value	6,533,134	12,673,427
TOTAL:	<u>6,533,134</u>	<u>12,673,427</u>

16. Loans and advances to customers

	Minimum loan payments	Present value of minimum loan payments	Minimum loan payments	Present value of minimum loan payments
	EUR	EUR	EUR	EUR
<i>Loans and advances to customers</i>	31.12.2023	31.12.2023	31.12.2022	31.12.2022
Up to one year	1,988,399	1,272,959	1,040,800	819,585
Years 2 through 5 combined	4,767,765	3,480,464	2,177,116	1,474,413
More than 5 years	487,547	414,462	206,470	175,576
TOTAL, GROSS:	<u>7,243,711</u>	<u>5,167,885</u>	<u>3,424,386</u>	<u>2,469,574</u>

	31.12.2023	31.12.2022
	EUR	EUR
<i>Unearned finance income</i>		
Up to one year	715,440	221,215
Years 2 through 5 combined	1,287,301	702,703
More than 5 years	73,085	30,894
TOTAL, GROSS:	<u>2,075,826</u>	<u>954,812</u>

	31.12.2023	31.12.2022
	EUR	EUR
<i>Loans and advances to customers</i>		
Non-current loans and advances to customers	3,894,926	1,649,989
Accrued interest (non current)	-	-
Current loans and advances to customers	1,217,752	778,679
Accrued interest (current)	55,207	40,906
TOTAL, GROSS:	<u>5,167,885</u>	<u>2,469,574</u>

16. Loans and advances to customers (continued)

	Non-Current 31.12.2023	Current 31.12.2023	Non-Current 31.12.2022	Current 31.12.2022
	EUR	EUR	EUR	EUR
Loans and advances to customers, net				
Loans and advances to customers	3,894,926	1,217,752	1,649,989	778,679
Accrued interest	-	55,207	-	40,906
Fees paid and received upon loan disbursement	282,317	88,267	(33,808)	(15,956)
Impairment allowance	-	(353,096)	(18,623)	(8,789)
	4,177,243	1,008,130	1,597,558	794,840

	31.12.2022			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances to customers				
Not past due	1,914,981	23,339	-	1,938,320
Days past due up to 30 days	301,933	118,850	6,652	427,435
Days past due up to 60 days	-	64,561	592	65,153
Days past due over 60 days	-	-	38,666	38,666
TOTAL, GROSS:	2,216,914	206,750	45,910	2,469,574

	31.12.2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans and advances to customers				
Not past due	4,288,665	30,444	-	4,319,109
Days past due up to 30 days	339,232	101,151	2,115	442,498
Days past due up to 60 days	-	89,683	-	89,683
Days past due over 60 days	-	-	316,595	316,595
TOTAL, GROSS:	4,627,897	221,278	318,710	5,167,885

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers				
Balance at 1 January	2,216,914	206,750	45,910	2,469,574
Transfer to Stage 1	72,161	(72,161)	-	-
Transfer to Stage 2	(95,336)	95,336	-	-
Transfer to Stage 3	(99,115)	(48,072)	147,187	-
New financial assets acquired	2,982,250	114,968	136,180	3,233,398
Receivables settled	(408,357)	(29,829)	(1,725)	(439,911)
Receivables written off	(3,873)	(241)	(137)	(4,251)
Sold debts written off	(8,635)	(13,159)	(67,277)	(89,071)
Receivables partially settled	(28,112)	(32,314)	58,572	(1,854)
Foreign exchange movements	-	-	-	-
Balance at 31 December	4,627,897	221,278	318,710	5,167,885 ok

	Stage 1	Stage 2	Stage 3	Total
Impairment allowance				
Balance at 1 January	18,168	2,790	6,454	27,412
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(1,101)	1,101	-	-
Transfer to Stage 3	(1,321)	(2,790)	4,111	-
Impairment for new financial assets acquired	81,977	26,568	92,682	201,227
Reversed impairment for settled receivables	(1,458)	-	-	(1,458)
Reversed impairment for written off receivables	(414)	-	-	(414)
Net remeasurement of loss allowance	11,718	7,610	107,001	126,329
Foreign exchange movements	-	-	-	-
Balance at 31 December	107,569	35,279	210,248	353,096

	31.12.2023	31.12.2022
	EUR	EUR
Fair value (typically calculated by HUB financial controllers)	2,441,648	1,529,701
TOTAL:	2,441,648	1,529,701

17. Loans to related parties

Non-current

	Interest rate per annum (%)	Maturity	31.12.2023 EUR	31.12.2022 EUR
Loan to related parties	13%	30/07/2027	9,100,500	12,977,500
TOTAL:			9,100,500	12,977,500

18. Non-current assets held for sale

Other non-current assets held for sale, net

	31.12.2023 EUR	31.12.2022 EUR
Reposessed collateral	14,978	100,026
Impairment allowance	(4,649)	(35,295)
TOTAL:		10,329

19. Trade receivables

	31.12.2023 EUR	31.12.2022 EUR
Receivables from RMS	686,914	1,089,927
Receivables from Primero Finance, UAB	367,874	41,825
Receivables from related parties (Renti JSC)	3,529	129,189
Accrued revenue from related parties (Renti JSC)	255,175	-
Receivables from Rato credit union	2,424	3,819
TOTAL:		1,315,916

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation:

- Overpayments related to accounts payables were reclassified from "Total Asset to "Total Equity and liabilities";
- Advances paid for goods and services were moved to "Trade receivables";
- Advance Corporate income tax paid has been transferred from liabilities to assets.

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

20. Other receivables

	31.12.2023	31.12.2022
	EUR	EUR
Receivable for attracted funding through P2P platform	3,356	(11,532)
Advances to employees	204	1,134
Other debtors	23,169	47,302
CIT paid in advance	797,768	720,597
TOTAL:	824,497	757,501

The classification of the 2022 financial statements has been revised to reflect the 2023 financial statements presentation:

- Overpayments related to accounts payables were reclassified from "Total Asset to "Total Equity and liabilities";
- Advances paid for goods and services were moved to "Trade receivables";
- Advance Corporate income tax paid has been transferred from liabilities to assets.

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

21. Cash and cash equivalents

	31.12.2023	31.12.2022
	EUR	EUR
Cash at bank	256,584	117,656
Cash on hand*	3,300	9,450
TOTAL:	259,884	127,106

*The cash on hand is held in regional offices and is kept there to ensure daily cash transactions.

The Company has a pledged bank account with Citadele bank.

22. Share capital

The share capital of the Company is EUR 28 960 and consists of 1 000 shares. The nominal value of each share is EUR 28.96. All 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 fully formed legal reserve in 2022 year.

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

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

	Share capital EUR
Opening balance at 01.01.2022	28,960
Subscriptions	-
Redemptions	-
Opening balance at 01.01.2022	28,960
Opening balance at 01.01.2023	28,960
Reductions	-
Subscriptions	-
Redemptions	-
Opening balance at 31.12.2023	28,960

	31.12.2023	31.12.2022
	EUR	EUR
Cash dividends paid	(1,000,000)	(2,263,842)
Non-cash dividends*	-	-
Total dividends paid:	(1,000,000)	(2,263,842)

In 2023 dividends paid per one share amounted to EUR 34.53 and 78.17 EUR in 2022.

23. Borrowings

Non-current

	Interest rate per annum (%)	Maturity	31.12.2023 EUR	31.12.2022 EUR
<i>Loans from related parties</i>				
Loan from related parties	12.5% - 13%	01/12/2027	19,544,488	24,291,143
TOTAL:			19,544,488	24,291,143
<i>Bonds</i>				
Financing received from P2P investors	6.5%-14%	31/12/2026	985,152	1,504,834
Liabilities for rights-of-use assets			52,198	158,141
TOTAL:			1,037,350	1,662,975
TOTAL NON CURRENT BORROWINGS:			20,581,838	25,954,118

Current

	Interest rate per annum (%)	Maturity	31.12.2023 EUR	31.12.2022 EUR
<i>Other borrowings</i>				
Financing received from P2P investors	6.5%-14%	31/12/2026	958,724	724,682
Liabilities for rights-of-use assets			96,807	87,586
Short term loan from related parties			1,175,000	-
Accrued interest for loans from related parties			18,298	191,576
Accrued interest for financing received from P2P investors			10,633	14,739
TOTAL:			2,259,462	1,018,583

24. Taxes payable

	31.12.2023 EUR	31.12.2022 EUR
Personal income tax liabilities	(2)	-
Social tax liabilities	-	25,745
VAT	72,021	21,044
Other taxes and duties	1,772	2,798
TOTAL:	73,791	49,587

25. Accrued liabilities

	31.12.2023 EUR	31.12.2022 EUR
Accruals for vacation reserves	120,060	118,158
Accrued liabilities against employees	48,622	60,167
Other accrued liabilities for received services	103,772	120,011
TOTAL:	272,454	298,336

26. Related party 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.

Receivable from related companies

	31.12.2023	31.12.2022
	EUR	EUR
Loan receivable from Renti UAB	9,100,500	12,977,500
Accrued interest from Renti UAB	101,994	154,552
Accrued revenue (cost allocation) from Renti UAB	153,181	129,150
Other receivables (cost recharge) from Renti UAB	3,529	39
Other receivable from Primero Finance UAB	367,874	41,825
TOTAL:	9,727,078	13,303,066

Payables to related companies

	31.12.2023	31.12.2022
	EUR	EUR
Loan from Eleving Group S.A.	19,544,488	8,627,488
Loan from Renti Latvia	-	11,553,655
Loan from Mogo Romania	1,175,000	4,110,000
Accrued interest from loan to Eleving Group S.A.	122,275	138,355
Accrued interest from loan to Mogo Latvia	(116,823)	-
Accrued interest from loan to Renti Latvia	-	8,981
Accrued interest from loan to Mogo Romania	12,847	44,240
Other payables (MNG fee) to Eleving Stella AS	56,920	127,845
Other payables to Renti UAB	8,675	5,895
TOTAL:	20,803,381	24,616,459

Services provided to related companies

	31.12.2023	31.12.2022
	EUR	EUR
Interest income from Renti UAB	1,799,697	1,589,069
Service fee to Primero Finance UAB	167,015	3,728
TOTAL:	1,966,712	1,592,797

Services received from related companies

	31.12.2023	31.12.2022
	EUR	EUR
Interest expenses to Mogo Latvia	1,106,307	-
Interest expenses to Eleving Group S.A.	772,078	1,037,092
Interest expenses to Renti Latvia	290,528	8,981
Interest expenses to Mogo Romania	507,297	771,653
Management fee to Eleving Stella UAB	663,338	-
Portfolio purchase from Primero Finance UAB	2,335,233	-
TOTAL:	5,674,781	1,817,726

- 1) The Company through its divisions performs the function of collecting money from customers to the related party UAB Renti.
- 2) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties
- 3) Company has loan agreement with its subsidiary company which allows both parties to agree on flexible loan payout and loan repayment arrangement with maximum loan amount of 23 million EUR.

An analysis of loan receivable staging and the corresponding ECL allowances at the year end are as follows:

31.12.2023	Stage 1	Stage 2	Stage 3	Total
Loan receivable from Subsidiary company	9,100,500	-	-	9,100,500

Loan receivables from related parties inherently are subject to the Company's credit risk. Therefore, a benchmarked PD rate was based on Standard & Poor's corporate statistics studies. The LGD has been assessed considering the related parties' financial position.

27. 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, to minimize 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 the 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 the 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 the Company has implemented further internal policies to minimize these risks. The Company has put in place an 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 checks 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 of 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.

Foreign currency risk

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

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. (Note 30)

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.

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.

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 a 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 (Note 15 and 16).

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.

27. Financial risk management (continued)

Impairment of financial assets

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 recognized separately). As 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 EUR 5 232 385 in 2023 (EUR 9 061 525 in 2022) (see Note 27). This is the amount for which the impairment would have been calculated if the credit risk had not been transferred to the CDS issuer.

Liquidity risk

	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	259,884	259,884				259,884
Loans and advances to customers	5,185,373		1,988,398	4,767,765	487,547	7,243,711
Loans to related parties (do not include loans to mogo group)						-
Loans to related parties (loans to mogo group companies)	9,100,500			11,437,173		11,437,173
Loans to non-related parties	-					-
Trade receivables	1,315,916		1,315,916			1,315,916
Rental fleet	-					-
Other non-current financial assets	-					-
Other loans and receivables	-		-			-
Other short term receivables from related parties (do not include short term receivables from related parties (only I/C receivables from mogo group companies))	-					-
Finance lease receivables	5,056,758		4,265,149	3,244,083	257,978	7,767,210
Total undiscounted financial assets	20,918,431	259,884	7,569,464	19,449,021	745,525	28,023,894
Liabilities						
Borrowings (do not include I/C borrowings)	(2,103,514)		(1,118,707)	(1,185,920)		(2,304,627)
Borrowings (only I/C borrowings)	(20,737,786)			(26,478,850)		(26,478,850)
Other liabilities (do not include I/C liabilities)	(374,783)		(374,783)			(374,783)
Other liabilities (only I/C liabilities)	(65,595)			(65,595)		(65,595)
Total undiscounted financial liabilities	(23,281,678)	-	(1,493,490)	(27,730,365)	-	(29,223,855)
Net undiscounted financial assets / (liabilities)	(2,363,247)	259,884	6,075,973	(8,281,344)	745,525	(1,199,961)

27. Financial risk management (continued)

	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	127,106	127,106				127,106
Loans and advances to customers	2,392,398		1,040,800	2,177,116	206,471	3,424,386
Loans to related parties (do not include loans to mogo group)						-
Loans to related parties (loans to mogo group companies)	13,132,052			18,029,256		18,029,256
Other non-current financial assets	181,007		26,455	154,552		181,007
Loans to non-related parties	-					-
Trade receivables	1,264,760		1,264,760			1,264,760
Rental fleet	-					-
Other loans and receivables	-					-
Other short term receivables from related parties (do not include I/C receivables from related parties (only I/C))	-					-
Finance lease receivables	9,128,053		7,062,045	7,099,822	525,477	14,687,345
Total undiscounted financial assets	26,225,376	127,106	9,394,060	27,460,746	731,948	37,713,860
Liabilities						
Borrowings (do not include I/C borrowings)	(2,489,982)		(965,939)	(2,338,126)		(3,304,065)
Borrowings (only I/C borrowings)	(24,482,719)			(29,982,255)		(29,982,255)
Other liabilities (do not include I/C liabilities)	(412,413)		(412,413)			(412,413)
Other liabilities (only I/C liabilities)	(133,740)					
Total undiscounted financial liabilities	(27,518,854)	-	(1,378,352)	(32,320,381)	-	(33,698,734)
Net undiscounted financial assets / (liabilities)	(1,293,478)	127,106	8,015,707	(4,859,635)	731,948	4,015,127

28. 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.

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.
- 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 classified stated at fair value, at fair value within Level 1 or Level 2 and Level 3.

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

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 "mogo LT".

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*	5,056,758	6,533,134	9,128,053	12,673,427
Loans and advances to customers*	5,185,373	2,441,648	2,392,398	1,529,701
Other non-current financial assets	-	-	181,007	181,007
	-	-	-	-
Loans to non-related parties				
Other loans and receivables	-	-	-	-
Trade receivables	1,315,916	1,315,916	1,264,760	1,264,760
Other short term receivables from related parties (do not include receivables from mogo group companies)				
Cash and cash equivalents	259,884	259,884	127,106	127,106
Total assets for which fair value is disclosed	11,817,931	10,550,582	13,093,324	15,776,001
Liabilities for which fair value is disclosed				
<i>Borrowings</i>				
Loan from related parties (include loans from mogo group companies)	20,737,785	-	24,482,719	-
Mogo Finance S.A. bonds				
Mogo AS bonds				
Lease liabilities for right-of-use assets	149,006		245,727	
Financing received from P2P investors	1,954,509	1,954,509	2,244,255	2,249,507
Other borrowings				
Trade payables	23,769	23,769	78,775	78,775
Other liabilities	416,609	416,609	467,378	467,378
Total liabilities for which fair value is disclosed	23,281,678	2,394,887	27,518,854	2,795,660
Liabilities measured at fair value				
Other financial liabilities	-	-	-	-
Total liabilities measured at fair value and liabilities for which fair value is disclosed	23,281,678	2,394,887	27,518,854	2,795,660

28. 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 c	-	-	-	-	-	-
Finance lease receivables	-	-	6,533,134	-	-	12,673,427
Loans and advances to customers	-	-	2,441,648	-	-	1,529,701
	-	-	-	-	-	-
Loans to non-related parties						
Other loans and receivables	-	-	-	-	-	-
Trade receivables			1,315,916			1,264,760
Other short term receivables from related parties (do not	-	-	-	-	-	-
Cash and cash equivalents	259,884	-	-	127,106	-	-
Total assets for which fair value is disclosed	259,884	-	10,290,698	127,106	-	15,467,888

Liabilities for which fair value is disclosed

Borrowings

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	-	-	1,954,509	-	-	2,249,507
Other borrowings	-	-	-	-	-	-
Trade payables	-	-	23,769	-	-	78,775
Other liabilities	-	-	416,609	-	-	467,378
Total liabilities for which fair value is disclosed	-	-	2,394,887	-	-	2,795,660
Liabilities measured at fair value						
Other financial liabilities	-	-	-	-	-	-
Total liabilities measured at fair value and liabilities for which	-	-	2,394,887	-	-	2,795,660
fair value is disclosed						

29. Investments in subsidiaries

The Company's investments in subsidiaries as of 31 December 2023 and 31 December 2022 are set out below:

Company	Business	Shareholding	Company's investment	
			EUR	EUR
Renti UAB	Consumer leasing	100%	3,900,000	3,900,000
Impairment:			-	-
Total Net Investments in subsidiaries:			3,900,000	3,900,000

Impairment testing of the investments in subsidiary has been performed by the management of the Company using valuation methods and based on assumptions described in section impairment

Income from investments

There were no dividends received from Company's subsidiaries during years 2023.

Impairment testing

The recoverable amount of Renti UAB is determined based on a value in use calculation using cash flow projections from financial budgets approved by the management. As a result of

Operating results of Renti UAB are presented below:

	31.12.2023 EUR	31.12.2022 EUR
Profit/Loss	935,062	(179,728)
	31.12.2023 EUR	31.12.2022 EUR
Current assets	4,908,219	3,463,659
Non-current assets	17,761,357	13,444,607
Current liabilities	(5,015,554)	(612,139)
Non-current liabilities	(13,400,333)	(12,977,500)
Net assets	4,253,689	3,318,627

30. Commitments and contingencies

Starting from 14 October 2021 Eleving Group and certain of its Subsidiaries (including Mogo LT) entered into several pledge agreements with TMF Trustee Services GmbH, establishing pledge over shares of those Subsidiaries, pledge over present and future loan receivables of those Subsidiaries, pledge over trademarks of those Subsidiaries, general business pledge over those Subsidiaries, pledge over primary bank accounts if feasible, in order to secure Eleving Group obligations towards bondholders deriving from Eleving Group bonds (ISIN: XS2393240887). Subsequently additional pledgors were added who became material (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) according to terms and conditions of the bonds. In 2022 the following amendments were made to these commercial pledges with TMF Trustee Services GmbH: On 8 June 2022 amendments to the terms of commercial pledge No 100195518 was registered, where the commercial pledgor is mogo LT (Lithuania).

Starting from 14 October 2021 Eleving Group as Issuer and certain of its Subsidiaries (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) as Guarantors have entered into a guarantee agreement dated 14 October 2021 (as amended and restated from time to time) according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group bonds (ISIN: XS2393240887) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group bonds (ISIN: XS2393240887) offering memorandum.

On 31 July 2019 mogo LT has concluded a Commercial pledge (as amended from time to time) with JSC Citadele bank by virtue of which certain receivables of mogo JSC are pledged in favor of JSC Citadele bank in order to secure mogo JSC, Primero OU and UAB mogo LT obligations towards JSC Citadele bank under the Credit line agreement of 8 July 2019 (as amended from time to time). On 14 February 2022 mogo LT (Lithuania) registered an amendment to the commercial pledge. As of 31 December 2023 part of the gross finance lease portfolio in the amount of EUR 2.5 million was pledged in favor of the Citadele bank as collateral for the credit line (31 December 2022: EUR 6.0 millions).

On 6 June 2016 mogo LT entered into a commercial pledge agreement with Mintos Finance Estonia OU, in order to secure mogo LT obligations towards Mintos Finance Estonia OU deriving from Cooperation agreement on issuance of loans No 21/2016L, dated 6 June 2016.

The Company pledged gross receivables in amount of EUR 191 thus: on 31.12.2023 (31.12.2022: EUR 721 thus).

On 5 July 2022 mogo LT entered into a commercial pledge agreement with Mintos Marketplace JSC and Mintos Finance No1 LLC in order to secure mogo JSC obligations towards Mintos Marketplace JSC and Mintos Finance No1 LLC deriving from Cooperation agreement on issuance of loans No. LVMM/06-07-2022-39, dated 5 July 2022. The subject of the pledge is the right of claim arising from leasing or loan agreements for a maximum amount of secured claim is EUR 2.7 million. The last amendment to this commercial pledge was registered on 13 June 2023.

Starting from 31 October 2023 Eleving Group as Issuer and certain of its Subsidiaries (subsidiaries with net portfolio of more than EUR 7 500 000 and represents at least 3% of the Net Loan Portfolio) as Guarantors have entered into a guarantee agreement dated 31 October 2023 according to which the guarantors unconditionally and irrevocably guaranteed by way of an independent payment obligation to each holder of the Eleving Group bonds (ISIN: DE000A3LL7M4) the due and punctual payment of principal of, and interest on, and any other amounts payable under the Eleving Group bonds (ISIN: DE000A3LL7M4).

31. Provisions for financial guarantees

	31.12.2023 EUR	31.12.2022 EUR
Movement in equity	Movement in equity	Movement in equity
Outstanding as at 1 January	-	(1,143,642)
Net result of original guarantee derecognition and recognition of modified guarantee (1), (2)		1,143,642
Outstanding as at 31 December	-	-
Financial guarantees movement	Financial guarantees	Financial guarantees
Outstanding as at 1 January	-	(1,143,642)
Fair value of the original guarantee recognized ¹⁾	-	-
Amortised as income	-	476,643
Outstanding provisions before derecognition	-	(666,999)
Fair value of the modified guarantee recognized ²⁾	-	-
Difference recognized in equity under Retained Earnings		
Derecognition of guarantee	-	(666,999)
Outstanding as at 31 December	-	-
Non-current provisions for financial guarantees		-
Current provisions for financial guarantees		-
Total recognized as income (Note 11)	-	(476,643)

On 14 October 2021 the Company entered a financial guarantee agreement issued in favor of bondholders of Eleving Group. The guarantee was issued to secure Eleving Group exposure after issuing corporate bonds, ISIN XS2393240887, which are listed on the Open Market of the Frankfurt Stock Exchange. Under the guarantee agreement the Company irrevocably guarantees the payment of Eleving Group liabilities towards its bondholders in case of default of Eleving Group under the provisions of bond prospectus.

In 2022 The Company did not receive compensation for the guarantee provided. Fair value of financial guarantee is recognized as liability and as a distribution of equity under "Retained Earnings". Liabilities under the financial guarantee agreement are recognized in income on straight line basis till bond maturity, which was July 2022.

In 2023 financial guarantee was reversed due to bond maturity.

32. Other provisions

	EUR	EUR
Provision for Corporate income tax liabilities*	-	389,686
TOTAL:	-	389,686

* in 2022 Provisions for CIT in Lithuania is recognized due to uncertainty related to application of CIT for an intra-group agreement concluded.

* In 2023 Provisions for CIT in Lithuania were reversed as company "Risk Management Service" OU is no longer considered as related company, therefore the CDS fee is concluded as non intra-group agreement.

Changes in provisions

	01.01.2023 EUR	Increase (decrease) in provisions EUR	31.12.2023 EUR
Provision for possible Corporate income tax liabilities	389,686	(389,686)	-
TOTAL:	389,686	(389,686)	-

Changes in provisions

	01.01.2022 EUR	Increase (decrease) in provisions EUR	31.12.2022 EUR
Provision for possible Corporate income tax liabilities	590,848	(201,162)	389,686
TOTAL:	590,848	(201,162)	389,686

33. 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 2 698 920 EUR (2022: 3 317 468 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.

34. 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.

35. Events after reporting period

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

Laurynas Dzindzelėta
Director

Milda Mironienė
Chief Accountant