



PART OF ELEAVING GROUP

Joint stock company Mogo Rent

Unified registration number 40203174147

Annual report

for the year ended
31 December 2024

Including financial statements

Separate financial statements prepared in
accordance with IFRS Accounting
standards as adopted by EU

Together with independent auditor's report

Riga, 2025

Annual Report 2024 of AS "mogo rent"
Reg.No. 40203174147
Skanstes street 52, Rīga, LV-1013

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GENERAL INFORMATION

Name of the Company	mogo rent		
Legal status of the Company	Joint-stock company		
Registration No., place and date	40203174147, Rīga, 10th October 2018		
Registered office	Skanstes street 52, Rīga, LV-1013		
Major shareholders	AS "mogo" - 100%		
Members of the Council	Girts Kurmis	–	Chairman of the Board from 4th March 2024
	Vladislavs Mejertāls	–	Board member from 23rd March 2024 to 22nd April 2025
	Vladislavs Mejertāls	–	Chairman of the Board from 4th March 2024 to 23rd May 2024
	Anete Pallo	–	Chairman of the Board from 4th August 2023 to 4th March 2024
	Valerij Petrov	–	Chairman of the Council from 11th May 2022
	Neringa Plauškiene	–	Deputy chairman of the Council from 23rd May 2024
	Aleksandra Galahina	–	Council Member from 23rd May 2024
	Neringa Plauškiene	–	Council Member from 11th May 2022 to 23rd May 2024
	Vladislavs Mejertāls	–	Deputy chairman of the Council from 11th May 2022 to 4th March 2024
	Līga Pētersone	–	Chief Accountant
Annual report drawn up by			
Reporting year	from	01.01.2024	to 31.12.2024
Parent company details	AS "mogo" Participation in the capital: 100% Skanstes street 52, Rīga, LV-1013		
Auditors	BDO ASSURANCE SIA 15-3B Kaļķu street Rīga, LV - 1010 License No. 182	Sworn Auditor Raivis Jānis Jaunkalns Certificate No. 237	

MANAGEMENT REPORT

Type of activity

AS "mogo rent" (the Company) is one of the largest long-term car rent companies in Latvia. The Company was established in October 2018 and since its establishment has held a distinctive position in the long-term rental market, providing affordable long-term rental of used cars. The Company's service is in direct competition with leasing providers, changing customers' car-buying habits.

Until 2022, the Company actively offered long-term rent of cars from its fleet to customers, but from July 2022 it stopped making new long-term rent offers to customers. The Company continued to service existing customers and offered customers to buy their rented cars.

AS "mogo rent" also sells rented and other used cars at 469c Latgales Street. The number of cars traded during the year increased from 60 at the beginning of the year to 66 at the end of the year. The sales lot is located among other used car sales lots in "Rumbula", which together represent the largest supply of used cars in Latvia. This location attracts potential car buyers from Riga and other cities in Latvia, making it a successful location for offering a long-term car rental service. Information on the rental product can be found at www.renti.lv, while the used car offer can be found at www.autotev.lv.

In 2024, the Company started to buy used cars from related companies that have regained them from their clients. The Company make these transactions to resell them and to get profit as well as to improve debt collection processes in related companies.

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

AS "mogo rent" turnover has decreased in the reporting period to EUR 1.7 million (-45% compared to 2023) as a result of the reduction of the long-term rental portfolio. The changes in the services offered by the company have led to significant cost reductions. Administration costs have decreased by 54% to EUR 239 thousand. Other operating costs have decreased by 39% to EUR 125 thousand. The number of active customers decreased during the year, reaching ~760 active customers at year-end (-24% compared to 2023). As a result of the depreciation of cars and as part of the reduction of the overall fleet, the value of the total rental fleet decreased to EUR 1.1 million. The Company closed the year with a profit of EUR 873 thousand, up 13% on 2023, achieving its third consecutive profitable year. The profit has allowed the Company to increase its equity by 34% to EUR 3.4 million. The profit was achieved by stabilising the long-term rental portfolio of used cars. Continuous efforts are being made to improve the Company's efficiency and further reduce costs.

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Future development of the Company

AS "mogo rent" expects to remain profitable in the upcoming years. A stable, profitable performance is expected based on the continued stability of the long-term rental customer portfolio as well as renewal of used cars rent services to clients.

Events after the last day of the reporting year

The company changed its name from AS "Renti" to AS "mogo rent" in March 2025. On April 22, 2025, the company's board of directors changed. Board member Vladislavs Mejertāls will leave his position on April 22, 2025.

Proposals for using the Company's profits or covering losses

The Company's profit will be retained and used to cover losses of previous years. The parent company, AS "mogo", will continue to provide additional resources for the further development of the Company, if necessary.

Girts Kurmis
Chairman of the Board



signature

25th of April, 2025

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STATEMENT OF COMPREHENSIVE INCOME

	Note number	2024 EUR	2023 EUR
Revenue from contracts with Customers	4	1 669 918	3 039 556
Cost of Sales	5	(838 369)	(1 579 244)
Gross profit		831 549	1 460 312
Selling expenses	6	(2 831)	(55 973)
Administrative expenses	7	(238 715)	(515 813)
Other operating revenue	8	279 990	449 618
Other operating expenses	9	(125 000)	(205 207)
Other interest and similar income:	10	291 150	373 288
a) from related companies,		289 968	372 593
b) from other persons.		1 182	695
Interest payments and similar expenses:	11	(161 224)	(728 527)
a) to subsidiary companies,		-	(445 153)
b) to other persons.		(161 224)	(283 374)
Profit before the corporate income tax		874 919	777 698
Corporate income tax for the reporting year	12	(1 827)	(1 064)
Profit after calculation of the corporate income tax		873 092	776 634
Profit for the reporting period		873 092	776 634

Notes on pages 11 to 38 form an integral part of these financial statements.

Girts Kurmis
Chairman of the Board

signature

25th of April, 2025

Annual report drawn up by:
Līga Pētersone
Chief Accountant

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STATEMENT OF FINANCIAL POSITION

ASSETS	Note number	31.12.2024 EUR	31.12.2023 EUR
Non-current assets			
Intangible investments			
Concessions, patents, licences, trademarks and similar rights		-	-
Total intangible assets	13	-	-
Property, plant and equipment			
Rental feet		1 128 685	2 429 492
Right-of-use assets		90 388	122 021
Other fixed assets and inventory		3 106	975
Total property, plant and equipment	14	1 222 179	2 552 488
Non-current financial investments and sublease receivables			
Loans to related companies	15	3 013 000	1 490 000
Sublease receivables from related parties	16	379 264	583 543
Total non-current financial investments		3 392 264	2 073 543
Non-current assets		4 614 443	4 626 031
Current assets			
Inventories			
Finished products and goods for sale	17	170 177	-
Total inventories		170 177	-
Receivables			
Trade receivables	18	58 193	98 665
Receivables from related parties		5 291	9 616
Other receivables	19	55 452	4 119
Sublease receivables from related parties	16	149 656	204 761
Deferred expenses	20	2 480	2 805
Accrued income	21	91 395	157 479
Total receivables		362 467	477 445
Cash and cash equivalents	22	69 180	190 038
Total current assets		601 824	667 483
TOTAL ASSETS		5 216 267	5 293 514

STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note number	31.12.2024 EUR	31.12.2023 EUR
Equity			
Share capital	23	5 500 000	5 500 000
Retained losses from previous periods		(2 933 845)	(3 710 479)
Profit for the reporting period		873 092	776 634
Total equity		3 439 247	2 566 155
Liabilities			
Non-current liabilities			
Other borrowings	24	644 008	1 466 365
Lease liabilities for right-of-use assets	25	64 620	94 883
Total non-current liabilities		708 628	1 561 248
Current liabilities			
Other borrowings	24	864 147	918 725
Advance payments from customers		47 894	68 820
Trade payables		2 525	3 122
Payables to related parties	26	709	19 844
Lease liabilities for right-of-use assets	25	30 263	29 936
Taxes payable	27	35 709	45 406
Other liabilities	28	12 035	8 215
Accrued liabilities	29	75 110	72 043
Total current liabilities		1 068 392	1 166 111
Total liabilities		1 777 020	2 727 359
TOTAL EQUITY AND LIABILITIES		5 216 267	5 293 514

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Ģirts Kurmis
Chairman of the Board

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25th of April, 2025

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Chief Accountant

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STATEMENT OF CASH FLOWS

	Note number	2024 EUR	2023 EUR
Cash flow to/ from operating activities			
Profit before taxation corporate income tax		874 919	777 698
Adjustment for:			
Amortisation and depreciation		643 047	1 165 601
Taxes accrued		457 576	1 149 446
Write-off of property, equipment and intangible assets		1 112 008	5 199 056
Impairment expenses		(57 315)	(123 654)
Decrease in deferred costs		325	79 179
Increase / (decrease) in accrued liabilities		3 067	15 595
Decrease in accrued income		39 843	104 686
Other interest and similar income		(291 150)	(373 288)
Interest and similar charges		161 224	728 527
		2 943 544	8 722 846
Adjustments for:			
Decrease/(increase) in advances to customers, trade and other receivables		282 860	132 950
Increase/ decrease in inventories		(170 177)	-
Increase/(decrease) in trade and other payables, contract liabilities and refund liabilities		(59 101)	(193 250)
Cash generated to /from operations, gross		2 997 126	8 662 546
VAT and other taxes paid		(468 184)	(1 166 693)
Corporate income tax paid		(916)	(3 206)
Net cash flows to/ from operating activities		2 528 026	7 492 647
Cash flow to/ from investing activities			
Purchase of property, equipment and other intangible assets		(397 443)	(1 020 401)
Loans		(1 523 000)	10 063 655
Interest received		317 391	324 812
Net cash flows to/ from investing activities		(1 603 052)	9 368 066
Cash flow to/ from financing activities			
Increase from borrowings		751 248	3 566 120
Repayments for borrowings		(1 590 922)	(19 936 942)
Interest paid		(164 857)	(779 348)
Repayment of lease liabilities for right-of-use assets		(41 301)	(102 852)
Net cash flows to/ from financing activities		(1 045 832)	(17 253 022)
Change in cash and cash equivalents for the year		(120 858)	(392 309)
Cash and cash equivalents at the beginning of the year		190 038	582 347
Cash and cash equivalents at the end of the year	22	69 180	190 038

Notes on pages 11 to 38 form an integral part of these financial statements.

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25th of April, 2025

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
As at 31.12.2022	5 500 000	-	(3 710 479)	1 789 521
Increase in reserve balance	-	-	-	-
Profit for the reporting period	-	-	776 634	776 634
Total comprehensive loss recognized in the reporting period	-	-	776 634	776 634
As at 31.12.2023	5 500 000	-	(2 933 845)	2 566 155
Profit for the reporting period	-	-	873 092	873 092
Total comprehensive income recognized in the reporting period	-	-	873 092	873 092
As at 31.12.2024	5 500 000	-	(2 060 753)	3 439 247

Notes on pages 11 to 38 form an integral part of these financial statements.

Girts Kurmis
Chairman of the Board

25th of April, 2025

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Annual report drawn up by:

Līga Pētersone
Chief Accountant

signature

NOTES TO THE FINANCIAL STATEMENT

(1) Corporate information

AS "mogo rent" (the "Company") is located in the Republic of Latvia. The Company was incorporated on October 10, 2018 as a joint stock company for an unlimited duration, subject to general company law.

The Parent company of AS "mogo rent" is AS "mogo", reg. No. 50103541751. The Parent Company has 100% participating interest in AS "mogo rent".

The company's activities are long-term and short-term car rent and sales of cars and other light vehicles.

The Companies Financial statements of 2024 has been approved by decision of the Board of Directors on 25 April 2025.

(2) Summary of material accounting policies

a) Basis of preparation

These financial statements as of and for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU.

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

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statement, when determinable. See Note 3.

The financial statement is prepared on a historical cost basis except for the recognition of financial instruments measured at fair value.

The presentation and functional currency of the Company is Euro (EUR). The financial statement covers the period from 01 January 2024 till 31 December 2024. Accounting policies and methods are consistent with those applied in the previous years.

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

Going concern

This financial statement is prepared on the going concern basis. Going concern assumptions are described in Note 3, "Continuing Operations".

a) Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2024

The new and amended standards listed below are not expected to have a material impact on the Company's financial statements.

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

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on the characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020: Classification of Liabilities as Current or Non-current, and subsequently, in October 2022: Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In the case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

b) New standards, interpretations and amendments not yet effective

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

The following amendments are effective for the annual reporting period beginning 1 January 2025:

-Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The following amendments are effective for the annual reporting period beginning 1 January 2026:

-Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).

-Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

-IFRS 18 Presentation and Disclosure in Financial Statements

-IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group/Entity is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements

This standard, issued by the IASB in April 2024, supersedes IAS 1 and results in major consequential amendments to IFRS Accounting Standards, including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates, and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the separate financial statements of the Entity, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labeling of information, and disclosure of management-defined performance measures.

The Entity does not expect to be eligible to apply IFRS 19.

c) Material 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 7 years;

Leasehold improvements - according to lease term;

Other equipment - over 2 years.

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

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

Rental fleet

Rental fleet includes assets leased by the Company under operating leases. The Company accounts for the underlying assets in accordance with IAS 16. Depreciation policy for the underlying assets subject to operating leases is consistent with the Company's depreciation policy for similar assets (vehicles) and amounts to 7 years.

Company adds initial direct costs, including The Global Positioning System (GPS) costs and dealership commissions, incurred in obtaining the operating lease to the carrying amount of the underlying asset and recognizes those costs as an expense divided on 7 years.

Company applies the general principles described under 'Significant accounting judgments, estimates and assumptions' (Note 3) to determine whether an underlying asset subject to an operating lease may have residual value unrecoverable and impairment loss may need to be recognized.

Impairment of financial assets other than loans and advances

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

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

The Company do not consider forward looking macro-economic factor for vehicle rental product, as for short term trade receivables the determination of forward-looking economic scenarios is less significant given that over the credit risk exposure period a significant change in economic conditions may be unlikely, and historical loss rates might be an appropriate basis for the estimate of expected future losses.

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To use provision matrix, approach the Company determine grouping for receivables based on delay days and debt collection strategy and apply discounted historical recovery rates for each bucket separately.

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

The DPDs are splitted into periods by days - by ageing:

- current
- 1-30 DPD (Bucket consists of receivables 1 to 30 days past due date)
- 61-90 DPD (Bucket consists of receivables 61 to 90 days past due date)
- 91-180 DPD (Bucket consists of receivables 91 to 180 days past due date)
- >=180 DPD (Bucket consists of receivables equal or above 180 days past due date)

We can observe that each of the agreements (Client) is classified in the specific bucket, based on the days past due the last monthly payment of agreement:

- Current (All of payments from Customer are received up to date, no overdue payments)
- 1-30 DPD (Rent payment is overdue for 1-30 days past due)
- 31-60 DPD (Rent payment is overdue for 31-60 days past due)
- active settlement agreement
- for repossession
- for sale
- inkasso
- unsecured in process
- low probability of recovery, which further is divided into 13 more classifications in order to understand if there is a chance to receive the recovery or if cession is possible.

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

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

Impairment for loans to related parties

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

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, i.e., 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 a 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 12 months ECL. Judgements for determining of the Company if there has been a significant increase in credit risk are set out in Note 3.

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.

Right-of-use assets

Initial recognition

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

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

Subsequent measurement

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

Company's involvement with the underlying asset before the commencement date

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

Initial recognition exemptions applied

As a recognition exemption the Company elects not to apply the recognition requirements of right-of-use asset and lease liability to:

- (a) Short term leases – for all classes of underlying assets; and
- (b) Leases of low-value assets – on a lease-by-lease basis.

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

(a) Short term leases

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

(b) Leases of low-value assets

The Company defines a low-value asset as one that:

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

Sublease of Right-of-use assets (RoUA)

Sublease - a transaction for which an underlying asset is re-leased by a lessee (intermediate lessor) to a third party, and the lease (head lease) between the head lessor and lessee remains in effect.

Intermediate lessor accounting

The intermediate lessor accounts for the head lease and the sub-lease as two different contracts, applying both the lessee and the lessor accounting requirements.

The sublease is classified either as an operating lease or a finance lease by reference to the RoUA in the head lease:

- 1) if the head lease is a short-term lease for which the recognition exemption is applied, the sublease shall be classified as an operating lease; or
- 2) otherwise, the sublease shall be classified by reference to RoUA arising from the head lease, rather than by reference to the underlying asset (for example, the item of property, plant or equipment that is the subject of the lease).

Intermediate Lessor accounting - finance lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Indicators of finance lease:

- 1) transfer of ownership;
- 2) purchase options;
- 3) major part of useful life of RoUA;
- 4) at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset;
- 5) specialized nature - only the lessee can use RoUA without major modifications.

Initial measurement

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

- derecognizes the carrying amount of the underlying asset; and
- recognizes the net investment in the lease.

The net investment in leases comprise the following payments:

- (a) fixed payments, less any lease incentives payable;
- (b) variable lease payments that depend on an index or a rate;
- (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise it.
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The difference between the gross investment and its present value is recorded as unearned finance lease income.

Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognized over the lease term. Examples could be:

- legal fees;
- dealer commissions;
- other directly with specialized related costs.

Prepayments and any other payments received from lessee as at or before commandment date are recorded in statement of financial position upon receipt and settled against respective lessee's finance lease receivables agreement at the moment of issuing next monthly invoice according to the agreement schedule.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Initial measurement

During the term of the operating sublease, the intermediate lessor:

- (a) recognizes a depreciation charge for the RoUA and interest on the lease liability; and
- (b) recognizes lease income from the sublease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying assets.

Cash and cash equivalents

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

Vacation pay reserve

Vacation pay reserve is calculated based on Latvian legislation requirements.

Transactions with peer-to-peer platforms

Background

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

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

Assignment agreements are of two types:

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

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

Receivable is arising from assignments made through P2P platform where the related investment is not yet transferred to the Company (Note 24).

P2P platform commissions and service fees incurred by the Company are fees charged by P2P platform for servicing the funding attracted through peer-to-peer platform and are disclosed in Note 7.

Funding attracted through peer-to-peer platform

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

Liabilities to investors are recognized in statement of financial position caption Other borrowings (Note 24) and are treated as loans received.

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

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

Assignments with recourse rights (buy back guarantee)

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

Therefore, the Companies's respective debt instruments do not qualify to be considered for partial derecognition and interest expense paid to investors is shown in gross amount under Interest payments and similar expenses (Note 9).

Assignments without recourse rights (no buy back guarantee)

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

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

Other reserves

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

Provisions

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

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

Recognition of expenses

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

Revenue from contracts with customers (Rental revenue)

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in it's revenue arrangements, because Company controls the goods or services before transferring them to the customer.

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

Income taxes

Legal entities have not been required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax is paid on distributed profits and deemed profit distributions. Consequently, current tax assets and liabilities are measured at the tax rate applicable to undistributed profits. Starting from 1 January 2018, both distributed profits and deemed profit distributions have been subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.

The income tax rate in Latvia is 20%. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

As income tax has to be paid on distributed profits and deemed profit distributions, no temporary differences are arising between the tax bases of assets and liabilities and their carrying values for accounting purposes. Therefore deferred tax assets and liabilities are not recognized.

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 Parent companies' 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, and fellow is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of entities);
- 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.

Fair value measurement

The Company assesses at each reporting date whether there is an indication that the expected residual value of the rental fleet asset at the end of the current rental period may not be recoverable. The residual value is an estimate of the amount that could be received from the disposal of the vehicle at the reporting date if the asset were already of the age and in the condition that it will be in when the Company expects to dispose of it (i.e. after expiration of the ultimate lease period, if any). Therefore, if any indication exists, in order to determine the recoverable amount for rental fleet assets, the management uses valuation models based on two methods primarily depending from the status of the lease agreement:

- 1) value in use (VIU) - for assets with active lease agreements; and
- 2) fair value less costs of disposal (FVL COD)- for assets with inactive lease agreements.

VIU is the present value of the future cash flows expected to be derived from an asset or cash-generating unit, both from its continuing use and ultimate disposal. In assessing VIU, the estimated future cash flows are discounted to their present value using a weighted average cost of capital (WACC) rate which is 12.6%.

In measuring VIU the Company bases its cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset covering a total 7-year period.

For assets with an active and inactive lease agreement, the Company applies probability-weighted scenarios in determining the possible future cash flows. These scenarios for CGU with the active lease agreements are (a) the probability the lease agreement will end in its full term, (b) the probability the lease agreement will be early repaid by the client, (c) the probability that the lease agreement will be terminated and the vehicle returned to the Company, and (d) the probability that the lease agreement will be terminated and the vehicle will be lost. The scenario for CGU with the inactive lease agreement is (a) the probability the vehicle will be disposed of. The outcome of the probability-weighted scenario has been determined based on the Companies' historical data.

According to management assessment, for the scenarios when the asset value is expected to be recovered through continuing use rather than sale transaction, VIU method has been applied. For the scenarios when the asset carrying amount is expected to be recovered principally through disposal, the Company determines the residual value based on FVL COD method. Assumptions applied for the determination of the FVL COD of assets are based on making a reliable estimate of the price at which a transaction to sell the asset would take place between market participants at the measurement date under current market conditions and on available data from historical sales transactions. In addition, management considers whether events after the reporting year indicate a decline in the sales prices of such assets. Costs of disposal are incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expenses.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revaluated amount, in which case the reversal is treated as a revaluation increase. Sensitivity analysis of the residual value of the leased fleet is disclosed in Note 14.

Subsequent events

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

(3) Summary of significant accounting estimates

The preparation of the financial statement 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 Companies' ability to continue as a going concern, while significant areas of estimation used in the preparation of the financial statement relate to impairment evaluation of financial assets and rental fleet and fair value of financial guarantees. Although these and other estimates described in this section 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 Companies' accounting policies, management has made the following key judgements and applied estimates, which have the effect on the amounts recognized in the financial statement:

Going concern

This financial statement is prepared on going concern basis.

Valuation of rental fleet

The Company assesses at each reporting date whether there is an indication that the expected residual value of the rental fleet asset at the end of the current rental period may not be recoverable. The residual value is an estimate of the amount that could be received from the disposal of the vehicle at the reporting date if the asset were already of the age and in the condition that it will be in when the Company expects to dispose of it (i.e. after expiration of the ultimate lease period, if any). Therefore, if any indication exists, in order to determine the recoverable amount for rental fleet assets, the management uses valuation models based on two methods primarily depending from the status of the lease agreement:

- 1) value in use (VIU) - for assets with active lease agreements; and
- 2) fair value less costs of disposal (FVL COD) - for assets with inactive lease agreements.

VIU is the present value of the future cash flows expected to be derived from an asset or cash-generating unit, both from its continuing use and ultimate disposal. In assessing VIU, the estimated future cash flows are discounted to their present value using a weighted average cost of capital (WACC) rate which is 12.6%.

In measuring VIU the Company bases its cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset covering a total 7-year period.

For assets with an active and inactive lease agreement, the Company applies probability-weighted scenarios in determining the possible future cash flows. These scenarios for CGU with the active lease agreements are (a) the probability the lease agreement will end in its full term, (b) the probability the lease agreement will be early repaid by the client, (c) the probability that the lease agreement will be terminated and the vehicle returned to the Company, and (d) the probability that the lease agreement will be terminated and the vehicle will be lost. The scenario for CGU with the inactive lease agreement is (a) the probability the vehicle will be disposed of. The outcome of the probability-weighted scenario has been determined based on the Companies' historical data.

According to management assessment, for the scenarios when the asset value is expected to be recovered through continuing use rather than sale transaction, VUI method has been applied. For the scenarios when the asset carrying amount is expected to be recovered principally through disposal, the Company determines the residual value based on FVL COD method. Assumptions applied for the determination of the FVL COD of assets are based on making a reliable estimate of the price at which a transaction to sell the asset would take place between market participants at the measurement date under current market conditions and on available data from historical sales transactions. In addition, management considers whether events after the reporting year indicate a decline in the sales prices of such assets. Costs of disposal are incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expenses.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revaluated amount, in which case the reversal is treated as a revaluation increase. As at 31 December 2022 and 2023 the Company recognized impairment of rental fleet see Note 14. Sensitivity analysis of the residual value of the leased fleet is disclosed in Note 14.

Impairment of financial assets

The measurement of impairment losses under IFRS 9 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 their 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

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon, where default is defined as: agreement reaches 61 DPD or is terminated.

In order to estimate PDs the Company utilises Markov chains methodology. This methodology employs statistical analysis of historical transitions between delinquency buckets to estimate the probability that loan will eventually end up in default state which is set as absorbing state.

The Company uses 12 months continuous horizon window (or smaller if actual lifetime of the product is shorter or if representative historical data is available for a shorter period), and estimation over lifetime is defined as nth power of 12 months matrix (n-depends on the estimated lifetime, e.g., if lifetime is 36 months then $n=3$).

Exposures are grouped into buckets of days past due (DPD) loans/leases.

Company uses 6 months (continuous horizon) transition window and estimation over lifetime is defined as nth power of 6 months matrix. The approach improves consistency of PD calculations, i.e., accounted for 6 months seasonality effect and smoothened volatile impact of the regular changes in the business processes.

Forward-looking macroeconomic indicators model for portfolio impairment assessment

Guided by IFRS 9, the Company assesses forward looking information and incorporates it into impairment model. Impairment change is modelled given expected future changes of macroeconomic factors' (hereinafter macro model). In 2021 the Company changed Hierarchical Bayes model approach to simplified approached based on relation analysis between changes in input variables and changes in PD and the Company expert's opinion. Description of the new macro model is provided further.

Macro model uses expected changes in macroeconomic indicators year on year and assumes the same or similar change to Stage 1 PD.

Financial guarantees

Fair value (FV) determination and initial recognition

The Company has elected to determine the FV of guarantee using valuation of expected loss approach. FV of guarantee is calculated as multiple of EAD, PD and LGD. EAD is determined based on the contractual guaranteed amount per guarantee agreement (Note 25) and considering Company's pro-rata share of the guaranteed amount estimated considering the total assets of guarantors (Company and other Subsidiary of Eleving Group S.A.) as at end of the reporting period included in the respective guarantee agreement.

ECL determination for subsequent measurement

For the purposes of FV estimation the Company is using the ultimate Eleving Group S.A. credit rating as determined by credit rating agency Fitch Ratings Since initial recognition the Company has assessed that 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 an unilateral right for one party (i.e. Company) and (2) creates an obligation to comply for the other party (i.e. lessor). If neither party in the contract has an obligation then Companies assessment is that no options are to be considered in the context of lease term assessment. In such situations the lease term would not exceed the non-cancellable contractual term. In determining the lease term the Company has assessed the penalties under the lease agreements as well as economic incentives to prolong the lease agreements such as the underlying asset being strategic."

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

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

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

(4) Revenue from contracts with Customers

Turnover is the revenue obtained during the year from the Company's principal activity of providing services-provision of services without value added tax, minus discounts.

Type of activity	2024 EUR	2023 EUR
Rental income	1 669 918	3 039 556
Total	1 669 918	3 039 556

Breakdown of net turnover by geographical markets:

Country	2024 EUR	2023 EUR
Latvia	1 669 918	3 039 556
Total	1 669 918	3 039 556

(5) Cost of Sales

The item shows the costs used to achieve the net turnover - the related costs of the services provided.

	2024 EUR	2023 EUR
Depreciation of fixed assets and amortization of intangible assets	611 414	1 127 181
Personnel costs	144 919	181 135
Fleet maintenance costs	62 432	227 818
Office costs	12 098	12 898
GPS equipment maintenance costs	5 880	13 291
Agent costs	135	14 570
Other costs	1 491	2 351
Total	838 369	1 579 244

(6) Selling expenses

	2024	2023
Advertising and representation costs	2 831	36 179
Personnel costs	-	19 794
Total	2 831	55 973

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(7) Administrative expenses

	2024	2023
	EUR	EUR
Management services*	84 042	254 979
Business support services**	42 713	87 131
Personnel expenses	47 790	76 553
Depreciation of fixed assets	31 633	36 275
Audit and accounting expenses	20 520	25 280
Office expenses	8 362	22 730
Bank fees	2 588	4 834
Costs of legal services	852	7 992
Professional services	156	39
Other administration expenses	59	-
Total	238 715	515 813

*Management services are provided by Eleving Stella AS. The management services agreement is effective from October 1, 2019 and includes such services provided by the group as general and operational management services, marketing support at the group level, human resource and legal services, finance and risk management services.

** As of July 1st 2020, the Company receives business support services from the Parent Company, which include services related to marketing, car valuation, debt collection, support and maintenance of IT systems, promotion of cooperation with partners and other similar services.

(8) Other operating revenue

	2024	2023
	EUR	EUR
Revenue from costs reimbursed by customers	73 878	87 553
Revenue from car sales	61 837	-
Fines received	55 318	93 102
Revenue from OCTA services	38 573	48 614
Changes in provisions for uncollectible trade receivables	26 735	37 966
Revenue from commissions on car sales	9 500	10 165
Other revenue	8 096	31 021
Revenue from assignment transactions*	6 053	-
Revenue from sub-lease	-	28 608
Result on disposal of fixed assets, net	-	112 589
Total	279 990	449 618

* The item includes revenues from assignment transactions and the write-off of the book value of receivables disposed of as a result of assignment transactions.

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(9) Other operating expenses

	2024	2023
	EUR	EUR
Fines	48 415	-
Debt collection costs	24 195	61 975
Write-offs of uncollectible receivables	24 026	31 486
Other costs	27 551	-
Costs related to peer-to-peer lending platform services	14 712	19 379
Result on disposal of fixed assets, net*	8 191	-
Cost of purchasing cars sold	2 925	15 444
Donations	1 914	1 455
Expenses from sub-lease	374	-
Changes in impairment of fixed assets	(27 303)	(61 895)
Losses from assignment transactions**	-	134 375
Costs not related to economic activity	-	2 988
Total	125 000	205 207

* The company's income from the sale of fixed assets during the reporting period amounted to EUR 1 101 903, while the residual value of excluded fixed assets amounted to EUR 1 110 094 the total net result – loss EUR 8 191.

** The item includes revenues from assignment transactions and the write-off of the book value of receivables disposed of as a result of assignment transactions.

(10) Other interest and similar income:

	2024	2023
	EUR	EUR
Interest income from related companies	262 667	347 984
Interest income from sublease from related companies*	27 300	24 609
Interest income from other persons	1 183	695
Total	291 150	373 288

(11) Interest payments and similar expenses:

	2024	2023
	EUR	EUR
Other interest and similar charges*	99 984	157 677
Finance leasing interest expense**	55 222	119 103
Interest expense on the right to use premises	6 018	6 594
Interest expense on borrowings from related companies	-	445 153
Total	161 224	728 527

* The remaining interest payments in the reporting year in the amount of EUR 99 984 consist of payments to the global online loan market platform holder Mintos (Mintos Finance Estonia OU).

** Including interest expenses in amount of EUR 53 750 for sub-lease agreements.

(12) Corporate income tax for the reporting year

	2024	2023
	EUR	EUR
Calculated tax according to the declaration	1 827	1 064
Total	1 827	1 064

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(13) Intangible investments

		Concessions, patents, licenses, trade marks and similar rights	Total intangible assets
		EUR	EUR
Acquisition value	01.01.2024	173	173
Acquisition value	31.12.2024	173	173
Accumulated depreciation	01.01.2024	173	173
Accumulated depreciation	31.12.2024	173	173
Closing net carrying amount at	01.01.2024	-	-
Closing net carrying amount at	31.12.2024	-	-

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(14) Property, plant and equipment

		Rental fleet	Right-of-use assets	Other fixed assets and inventory	Total fixed assets
		EUR	EUR	EUR	EUR
Acquisition value	01.01.2024	5 363 495	147 290	18 787	5 529 572
Additions		394 146	-	3 297	397 443
Disposal		(2 323 756)	-	(1 543)	(2 325 299)
Acquisition value	31.12.2024	3 433 885	147 290	20 541	3 601 716
Accumulated depreciation	01.01.2024	2 934 003	25 269	17 812	2 977 084
Depreciation charge		610 248	31 633	1 166	643 047
Amortization of fixed assets that have been liquidated or reclassified		(1 211 748)	-	(1 543)	(1 213 291)
Impairment		(27 303)			(27 303)
Accumulated depreciation	31.12.2024	2 305 200	56 902	17 435	2 379 537
Net book value	01.01.2024	2 429 492	122 021	975	2 552 488
Net book value	31.12.2024	1 128 685	90 388	3 106	1 222 179

Out of total rental fleet with the acquisition cost of EUR 4 752 653, impairment was identified for the total rental fleet with a acquisition cost of EUR 1 036 669 (see together with note 16). For those cars recoverable amount is estimated to EUR 281 656. The recoverable amount was estimated based on the value in use method discounting the cash-flow using a WACC of 12.6%. The cash-flow was projected based on rental agreements probabilities of default and early repayments. As a result, impairment loss was recognised in previous years and remaining impairment amount as at 31 December is EUR 48 095.

For the remaining rental fleet with the acquisition value of EUR 3 715 985 the recoverable amount was estimated as EUR 1 153 141.

For detailed description of impairment testing refer to Fair value measurement (Note 3).

(15) Loans to related companies

	% rate	Date of repayment	31.12.2024	31.12.2023
	EUR	EUR	EUR	EUR
Long-term loans				
Mogo AS	12.00%	30.09.2029	3 013 000	-
Eleving stella AS	12.00%	31.12.2028	-	1 490 000
Total long term loans	X	X	3 013 000	1 490 000

On September 27, 2024, a loan agreement was concluded between Renti AS and mogo AS. The loan is repayable until September 30, 2029, and its interest rate is 12.00% per year. The balance of the loan on December 31, 2024 amounts to EUR 3 013 000.

(16) Sublease receivables from related parties

	31.12.2024	31.12.2023
	EUR	EUR
Non-current receivables		
Sublease receivables from related parties	379 264	583 543
Total non-current receivables	379 264	583 543

	31.12.2024	31.12.2023
	EUR	EUR
Current receivables		
Sublease receivables from related parties	149 656	204 761
Total	149 656	204 761

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with the reference to the Sublease receivables from related party arising from the head lease, not with reference to the underlying asset. During 2024, the Company leases out 33-34 vehicles to related company whose are leased from SIA "Citadele leasing". The company from lessor perspective classify all leases as finance sub-lease and both side agreements as for lessor and lessee are with equal term and would expire in 2028. During 2024, the Company has sub-leased the vehicles that have been presented as a Sublease receivables from related parties.

(17) Finished products and goods for sale

	31.12.2024	31.12.2023
	EUR	EUR
Cars	1 793 095	-
Total	1 793 095	-

(18) Trade receivables

	31.12.2024	31.12.2023
	EUR	EUR
Carrying amount of trade receivables	178 074	575 172
Impairment loss allowance	(119 881)	(476 507)
Total	58 193	98 665

Changes in provisions

	31.12.2024	31.12.2023
	EUR	EUR
Provisions at the beginning of the period	(476 507)	(514 473)
Provisions for bad and doubtful debtors	(28 136)	96 716
Excludes provisions for bad debts after their foreclosure	384 762	(58 750)
Provisions at the end of the period	(119 881)	(476 507)

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- **An analysis of Trade and other receivable aging and the corresponding ECL allowances at the year end are as follows:**

2023	current EUR	1-30 EUR	31-60 EUR	>60 EUR	Total EUR
Receivables for rent services	8 009	44 174	2 833	520 156	575 172
Total ECL calculated for rent services	(650)	(8 652)	(1 069)	(466 136)	(476 507)
% from gross trade receivables	0%	3%	1%	70%	74%

2024	current EUR	1-30 EUR	31-60 EUR	>60 EUR	Total EUR
Receivables for rent services	4 650	25 289	2 207	145 928	178 074
Total ECL calculated for rent services	(263)	(3 887)	(854)	(114 877)	(119 881)
% from gross trade receivables	0%	2%	0%	65%	67%

For rent receivables in 2024 year ECL recognized in amount of EUR 119 881 (2023: EUR 476 507). In order to estimate the ECL of lease contracts, PD and LGD indicators are compared against the lease portfolio.

Benchmarking ensures the most accurate estimation of ECL for rent contacts, as historical behaviour of rent portfolio is similar to finance lease portfolio. Additionally rent portfolio has the same or very similar to financial lease portfolio operational processes.

(19) Other receivables

	31.12.2024 EUR	31.12.2023 EUR
Receivables from cession transactions*	54 994	-
Other debtors	458	4 119
Total	55 452	4 119

*including the sale of a portfolio worth EUR 439,155, for which a third party will settle based on the recoverability of the relevant contracts over 8 years. The expected revenue has been estimated on a conservative basis, taking into account the terms of the contract and using a 12% discount rate.

(20) Deferred expenses

	31.12.2024 EUR	31.12.2023 EUR
Insurance	1 395	773
Subscription to information databases	788	250
Other deferred charges	297	1 782
Total	2 480	2 805

(21) Accrued income

	31.12.2024 EUR	31.12.2023 EUR
Accrued rental revenue	50 835	83 829
Accrued interest income on loans to related companies	31 216	57 457
Accrued income from commissions for OCTA mediation	2 686	3 117
Accrued revenue from OCTA mediation	6 658	13 076
Total	91 395	157 479

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Reg.No. 40203174147

(22) Cash and cash equivalents

	31.12.2024	31.12.2023
	EUR	EUR
Cash in bank accounts	63 330	180 439
Cash on hand	5 850	9 599
Total	69 180	190 038

All funds are in EUR currency and kept in a current account of a credit institution registered in the Republic of Latvia without restrictions on use.

(23) Share capital

The share capital of the Company on December 31, 2024 is EUR 5 500 000 and consists of 5 500 000 shares with a nominal value of EUR 1 each. The share capital of the company is fully paid.

(23) Retained losses:

The reporting year of the Company closed with a profit of EUR 873 092.

As of December 31, 2024, equity has increased to EUR 3 439 247, where the total amount of the Company's retained losses has decreased to EUR 2 060 753 compared to year 2023.

(24) Other borrowings

	% rate	Date of repayment	31.12.2024 EUR	31.12.2023 EUR
Non-current borrowings				
Funding attracted through peer-to-peer platforms	7.5-11.5%	01.12.2027	207 976	782 679
Finance lease liabilities	2.90%-6.852%	31.03.2028	12 582	17 902
Borrowings - Liabilities for rights-of use assets	2.90%-6.852%	30.09.2028	423 451	665 785
Total non-current borrowings	X	X	644 008	1 466 365
Current borrowings				
Funding attracted through peer-to-peer platforms	7.5-11.5%	01.12.2027	635 188	691 653
Finance lease liabilities	2.90%-6.852%	31.03.2028	5 320	5 033
Borrowings - Liabilities for rights-of use assets	2.90%-6.852%	30.09.2028	223 639	222 039
Total current borrowings	X	X	864 147	918 725

The agreement on the funding raised through peer-to-peer lending platforms was signed on January 21, 2019. The repayment term of the funding raised on the peer-to-peer lending platform is equal to the lease agreement with the longest term entered into by the Company at that point in time. It bears an interest rate of 7.5%-11.5% per annum. The balance of the borrowing at December 31, 2024 amounts to EUR 843 164.

The amount repayable under the contract more than one year after the balance sheet date amounts to EUR 207 976 on December 31, 2024. There are no contracts repayable more than five years after the balance sheet date as of December 31, 2024.

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(25) Lease liabilities for right-of-use assets

	% rate	Date of repayment	31.12.2024 EUR	31.12.2023 EUR
Non-current liabilities				
Lease liabilities for right-of-use assets - premises	2.9-6.517%	1-5 years	64 620	94 883
Total non-current liabilities	X	X	64 620	94 883
Short-term liabilities				
Lease liabilities for right-of-use assets - premises	2.9-6.517%	1-5 years	30 263	29 936
Total short-term liabilities	X	X	30 263	29 936

The company has concluded several lease agreements for the lease of premises and car sales areas. Since the Company has made a decision to apply IFRS No. 16, it has recognized the lease obligations in the estimated lease period. (Note 1 section of IFRS No. 16: "Leases").

(26) Payables to related parties

	31.12.2024 EUR	31.12.2023 EUR
Current liabilities		
Accounts payable for goods	400	-
Accounts payable for services	309	19 844
Total current liabilities	709	19 844

(27) Taxes payable

	31.12.2024 EUR	31.12.2023 EUR
Value added tax	25 252	37 201
Social security contributions	5 681	4 767
Personal income tax	3 112	2 685
Corporate income tax	1 661	750
Business risk state fee	3	3
Total	35 709	45 406
Including:		
	31.12.2024 EUR	31.12.2023 EUR
Tax debt	35 709	45 406

(28) Other liabilities

	31.12.2024 EUR	31.12.2023 EUR
Current other liabilities		
Settlement of liabilities to employees of the Company	12 023	8 215
Other liabilities	12	-
Total current other liabilities	12 035	8 215

(29) Accrued liabilities

	31.12.2024 EUR	31.12.2023 EUR
Vacation accruals	10 332	12 174
Accrued liabilities for uncollected invoices	49 435	30 570
Accrued liabilities for uncollected invoices from related parties	9 411	19 066
Accrued liability for payment of annual bonuses	5 932	10 233
Total	75 110	72 043

(29) Related parties, related party transactions

During the reporting year, the Company had transactions with related parties as part of its economic activity. The most important transactions and their volumes are as follows:

Related party	Description of the transaction	Amount of the 2024 EUR	Amount of the 2023 EUR
Parent company mogo AS	Purchased goods	203 197	145 460
	Goods sold	5 000	12 300
	Services received	4 271	87 131
	Services provided	9 500	13 511
	Other purchases	11 603	13 359
	Other sales	482	354
	Loan issued	306 300	-
	Loan repayment received	50 000	-
	Interest income	67 484	-
	Borrowings	-	66 000
	Borrowings repaid	-	16 037 867
	Interest expense	-	445 153

Related party	Description of the transaction	Amount of the 2024 EUR	Amount of the 2023 EUR
<i>Other related companies</i>			
Spaceship SIA	Goods sold	16 440	102 279
Eleving stella AS	Services received	84 042	254 979
Eleving stella AS	Other purchases	4 424	3 085
Eleving stella AS	Interest income	195 183	347 984
Eleving stella AS	Loans issued	1 640 000	1 490 000
Eleving stella AS	Loan repayment received	3 130 000	-
mogo LT UAB	Loans received	-	11 553 655
Eleving Group S.A.	Services provided	6 500	-
Primero Finance OU	Purchased goods	75 000	-
Renti UAB	Purchased goods	193 686	-
Spaceship SIA	Sublease receivables from related parties	149 656	204 761
Spaceship SIA	Profit from sub-lease	374	28 608

(30) Average number of employees

	2024	2023
Average number of employees	7	10

(31) Personnel expenses

	2024 EUR	2023 EUR
Payroll expenses	147 160	218 848
State social insurance contributions	34 713	51 616
Other personnel expenses	10 836	7 018
Personnel expenses	192 709	277 482

(32) Details of off-balance sheet commitments and pledged assets

On December 20, 2022 Renti AS and Mintos Finance Estonia OU entered into Commercial Pledge Agreement No LVMM/06-07-2022-176. The basic agreement is the Cooperation Agreement on the issuance of loans No. LVMM/06-07-2022-174 concluded on December 20, 2022. Subject of commercial pledge: existing vehicles of the commercial pledger against Third Parties. The amount of the pledge is depending on the exposure to Mintos.

Starting from 14 October 2021 Eleving Group and certain of its Subsidiaries (including AS "Renti") 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 AS "Renti" (Latvia).

On January 3, 2022, a commercial pledge was registered between AS "Citadele banka" and AS "Renti" in accordance with commercial pledge agreement no. 659-08/19-51-KL2 from December 23, 2021. The commercial pledge agreement was concluded to ensure the fulfillment of obligations in accordance with the July 8, 2019 Credit Line Agreement No. 659-08/19-51, concluded between AS "mogo", mogo OU and UAB "mogo LT". The secured claim totals EUR 0 as of 31 December 2024 and EUR 5.5 million as of 31 December 2023. According to the commercial pledge agreement concluded with AS "Citadele banka", the value of the pledged assets of AS "Renti" as of December 31, 2024 is EUR 0 (as of 31 December 2023 was EUR 0). As of the end of 2024, guarantee have been closed due to maturity, including the related commercial pledge contract. Consequently, no outstanding pledge remain as of December 31, 2024.

On October 27, 2023, a guarantee agreement was registered between AS "Citadele banka" and AS "Renti" and several other Eleving Group subsidiaries. The guarantee agreement was concluded to ensure the fulfillment of obligations in accordance with the July 8, 2019 Credit Line Agreement No. 659-08/19-51, concluded between AS "mogo", mogo OU and UAB "mogo LT". The maximum exposure over which the guarantee agreement is signed totals EUR 0 as of 31 December 2024 and EUR 5.5 million as of 31 December 2023. As of the end of 2024, guarantee have been closed due to maturity, including the related pledge contract. Consequently, no outstanding guarantees remain as of December 31, 2024.

(33) Fair value of financial assets and liabilities

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 31.12.2024	Fair value 31.12.2024	Carrying value 31.12.2023	Fair value 31.12.2023
	EUR	EUR	EUR	EUR
Assets for which fair value is disclosed				
Loans to related parties (do not include loans to mogo group companies)	-	-	-	-
Other non-current financial assets	-	-	-	-
Other short term receivables from related parties (do not include receivables from mogo group companies)	5 291	5 291	8 406	8 406
Cash and cash equivalents	69 180	69 180	190 038	190 038
Total assets for which fair value is disclosed	74 471	74 471	198 444	198 444

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Liabilities for which fair value is disclosed

Loan from related parties (do not include loans from mogo group companies)	-	-	-	-
Lease liabilities for right-of-use assets	94 883	94 883	124 819	124 819
Financing received from P2P investors	823 099	823 099	1 444 155	1 444 155
Trade payables	2 525	2 525	3 122	3 122
Other liabilities	652 410	652 410	892 856	892 856
Total liabilities for which fair value is disclosed	1 572 917	1 572 917	2 464 952	2 464 952

Total liabilities measured at fair value and liabilities for which fair value is disclosed

1 572 917	1 572 917	2 464 952	2 464 952
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	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
	EUR	EUR	EUR	EUR	EUR	EUR
Assets for which fair value is disclosed						
Other short term receivables from related parties (do not include receivables from mogo group companies)	-	-	5 291	-	-	8 406
Cash and cash equivalents	69 180	-	-	190 038	-	-
Total assets for which fair value is disclosed	69 180	-	5 291	190 038	-	8 406

	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	31.12.2024	31.12.2024	31.12.2024	31.12.2023	31.12.2023	31.12.2023
	EUR	EUR	EUR	EUR	EUR	EUR
Liabilities for which fair value is disclosed						
Loan from related parties (do not include loans from mogo group companies)	-	-	-	-	-	-
Lease liabilities for right-of-use assets	-	-	94 883	-	-	124 819
Financing received from P2P investors	-	-	823 099	-	-	1 444 155
Trade payables	-	-	2 525	-	-	3 122
Other liabilities	-	-	652 410	-	-	892 856
Total liabilities for which fair value is disclosed	-	-	1 572 917	-	-	2 464 952
Total liabilities measured at fair value and liabilities for which fair value is disclosed	-	-	1 572 917	-	-	2 464 952

(34) Continuing operations

The company closed the reporting period with a profit, as well as the working capital as of December 31, 2024 is positive. AS "Renti" plans to continue working with profit for the following years as well. The improvement of the results is expected based on the further improvement of the quality of the portfolio of long-term rental customers, as well as the successful progress of the Renti plus product in the market.

In order to ensure the Company's liquidity, the Company has received a confirmation from the parent Company to provide financial and other support, as necessary, for the continuation of the Company's economic activity.

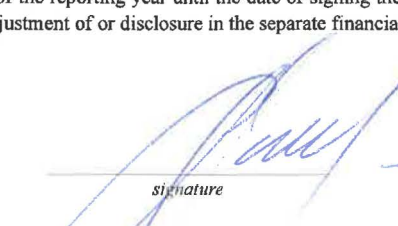
The losses of the previous years are planned to be covered from the profits of the following periods.

(35) Events after the balance sheet date

The company changed its name from AS "Renti" to AS "mogo rent" in March 2025. On April 22, 2025, the company's board of directors changed. Board member Vladislavs Mejertāls left his position on April 22, 2025.

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.

Girts Kurmis
Chairman of the Board


signature

25th of April, 2025

Annual report drawn up by:

Līga Pētersone
Chief Accountant


signature

Translation from original in Latvian

Independent Auditor's Report

To the shareholder of AS "mogo rent"

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS "mogo rent" (the Company) set out on pages 6 to 38 of the accompanying annual report, which comprise:

- the statement of financial position as at 31 December 2024,
- the statement of comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AS "mogo rent" as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards as adopted by the European Union ("IFRS").

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (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' International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

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

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises

- Company Information as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

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 and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, 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.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the IFRS Accounting 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 Responsibility 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 judgment 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 a 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.

BDO ASSURANCE SIA
Mihaila Tala Street Riga, LV-1045
License No 182

Raivis Jānis Jaunkalns 
Sworn auditor
Certificate No 237
Member of the Board

Riga, Latvia
25 April, 2025