JOIN STOCK COMPANY
Renti

UNIFIED REGISTRATION NUMBER LV40203174147

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

Rīga, 2023

CONTENT

GENERAL INFORMATION

Name of the Company	Renti		
Legal status of the Company	Join-stock company		
Registration No., place and date	40203174147, Riga, 10th October 2018		
Registered office	Skanstes street 52, Rīga, LV-1013		
Major shareholders	AS "mogo" - 100%		
Members of the Board	Krišjānis Znotiņš	–	Chairman of the Board from 14th March 2019
	Aivis Lonskis (to 08.06.2022)	–	Board member from 25th February 2020 to 8th June 2022
Members of the Council	Valerij Petrov	–	Chairman of the Council from 11th May 2022
	Vladislavs Mejertāls	–	Deputy chairman of the Council from 11th May 2022
	Neringa Plauškiene	–	Council Member from 11th May 2022
	Māris Kreics	–	Chairman of the Council from 28th May 2020 to 11th May 2022
	Vladislavs Mejertāls	–	Deputy chairman of the Council from 28th May 2020 to 11th May 2022
	Kārlis Bērziņš	–	Council Member from 28th May 2020 to 11th May 2022
Annual report drawn up by	Linda Misule	–	Chief Accountant
Reporting year	from 01.01.2022	to	31.12.2022
Parent company details	AS "mogo" Participation in the capital: 100% Skanstes street 52, Riga, LV-1013		
Auditors	BDO ASSURANCE SIA 15-3B Kaļķu street Riga, LV - 1010 License No. 182		Certified Auditor Raivis Jānis Jaunkalns Certificate No. 237

MANAGEMENT REPORT

Type of activity

AS "Renti" (the Company) is one of the largest long-term care 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.

In 2022, the Company 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 "Renti" also sells rented and other used cars at 469c Maskavas Street. The number of cars traded during the year decreased from 250 at the beginning of the year to 150 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 December 2021, the Company launched a new car subscription product Renti plus. The product has been developed to keep pace with mobility developments in Europe and worldwide. Renti plus offers both natural and legal persons the possibility to subscribe to a new car with a full range of services (insurance, maintenance, tyre change, etc.) for a period of 1-36 months. Cars are purchased and available immediately. Three types of subscriptions provide flexible and customer-specific conditions of use. The types of subscription and the range of cars can be found on www.rentiplus.lv. The company has developed the service to over 100 cars within a year.

In addition, the company entered into a cooperation with an affiliated company SIA "Spaceship", to acquire and lease Tesla electric cars on a long-term basis, which are used for the operation of the electric car-sharing brand OX drive.

By developing the Renti plus subscription product and providing electric cars for the OX drive service, the Company has been able to significantly reduce the average CO2 emissions of the Company's fleet.

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

AS "Renti" turnover has decreased in the reporting period to EUR 5 million (-23% compared to 2021). The changes in the services offered by the company have led to significant cost reductions. Administration costs have decreased by 39% to EUR 1 million. Other operating costs have decreased by 74% to EUR 504 thousand. The number of active customers decreased during the year, ending the year with more than 2 500 active customers (-38% compared to 2021). 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 7.8 million.

The value of assets increased by 81% to EUR 21.2 million. The increase is due to an increase in loans to related companies.

The Company closed the year with a profit of EUR 530 thousand, the first profitable year in the Company's history. The profit has allowed the Company to increase its equity by 79% to EUR 1.8 million. The profit was achieved by stabilising the long-term rental portfolio of used cars, improving the payment discipline of rental customers and developing new services. Continuous efforts are being made to improve the Company's efficiency and further reduce costs.

Future development of society

AS "Renti" 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 and the market penetration of the new Renti plus product.

Events after the last day of the reporting year

In 2022, the European Union and other countries imposed a number of significant sanctions against Russia and Belarus, their companies, companies in other countries, officials, businessmen and others in connection with the hostilities in Ukraine that started on 24 February 2022. The sanctions and restrictions imposed and the impact of the hostilities are creating economic uncertainty in the world and in Latvia. The exact impact of the sanctions, restrictions and hostilities on the Company's business in 2023 cannot be predicted, but the Company does not expect the sanctions, restrictions and hostilities to have a material impact on the Company's operations, either directly or indirectly. This assumption is based on information available at the date of signing the financial statements and the impact of future events on the Company's operations may differ from the Company's assessment.

Rising inflation has had no negative impact on the ability of the Company's customers to comply their commitments. During the period under review, various support programmes introduced by the Government have been in place to mitigate the impact of rising gas and electricity prices on the population. The Company regularly monitors the payment discipline of its customers and is able to offer a range of solutions to overcome short-term financial difficulties of its customers where necessary.

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.

Krišjānis Znotiņš
Chairman of the Board

signature

5th of April, 2023

STATEMENT OF COMPREHENSIVE INCOME

	Note number	2022 EUR	2021 EUR
Revenue from contracts with Customers	4	5 010 676	6 543 201
Cost of Sales	5	(2 564 338)	(3 559 871)
Gross profit		**2 446 338**	**2 983 330**
Selling expenses	6	(199 734)	(130 512)
Administrative expenses	7	(1 019 509)	(1 663 891)
Other operating revenue	8	796 657	1 027 153
Other operating expenses	9	(723 482)	(1 918 240)
Other interest and similar income:	10	23 127	4 449
a) from related companies		20 629	-
b) from other persons.		2 498	4 449
Interest payments and similar expenses:	11	(789 567)	(1 220 609)
a) to subsidiary companies,		(629 187)	(808 705)
b) to other persons.		(160 380)	(411 904)
Profit or loss before the corporate income tax		**533 830**	**(918 320)**
Corporate income tax for the reporting year	12	(3 303)	(3 584)
Profit or loss after calculation of the corporate income tax		530 527	(921 904)
Profit or losses for the reporting year		**530 527**	**(921 904)**

Notes on pages 11 to 36 form are integral part of these financial statements.

Krišjānis Znotiņš
Chairman of the Board

signature

5th of April, 2023

Annual report drawn up by:

Linda Misule
(Chief Accountant)

signature

STATEMENT OF FINANCIAL POSITION

ASSETS	Note number	31.12.2022 EUR	31.12.2021 EUR
Non-current assets			
Intangible investments			
Concessions, patents, licences, trademarks and similar rights		-	-
Total intangible assets	13	-	-
Fixed assets			
Rental feet		7 781 770	10 699 741
Right-of-use assets		49 648	104 360
Other fixed assets and inventory		3 431	6 686
Total fixed assets	14	**7 834 849**	**10 810 787**
Long-term financial investments and sublease receivables			
Loans to related companies	15	11 553 655	-
Sublease receivables from related parties	16	614 170	-
Total long-term financial investments		**12 167 825**	-
Non-current assets		**20 002 674**	**10 810 787**
Receivables			
Trade receivables	17	178 457	254 187
Receivables from related parties	18	7 720	796
Other receivables	19	11 141	15 118
Sublease receivables from related parties	16	160 407	-
Deferred expenses	20	81 984	166 635
Accrued income	21	213 689	279 251
Total receivables		**653 398**	**715 987**
Cash and cash equivalents	22	**582 347**	**212 496**
Total current assets		**1 235 745**	**928 483**
TOTAL ASSETS		**21 238 419**	**11 739 270**

STATEMENT OF FINANCIAL POSITION

LIABILITIES	Note number	31.12.2022 EUR	31.12.2021 EUR
Equity			
Share capital	21	5 500 000	5 500 000
Other reserves	25	-	(271 613)
Uncovered losses:	24		
uncovered losses from previous years		(4 241 002)	(3 304 896)
loss for the reporting year		530 527	(921 904)
Total equity		**1 789 525**	**1 001 587**
Provisions			
Provisions for financial guarantees	25	-	257 411
Total provisions		**-**	**257 411**
Creditors			
Non-current liabilities			
Long-term creditors			
Other borrowings	26	2 308 585	2 093 636
Amounts owed to related companies	27	15 971 867	6 978 212
Lease liabilities for right-of-use assets	28	6 975	58 018
Total non-current liabilities		**18 287 427**	**9 129 866**
Current liabilities			
Funding attracted through peer-to-peer	26	636 352	814 153
Advance payments from customers		203 259	105 854
Trade payables		25 193	45 078
Payables to related parties	27	59 417	93 332
Lease liabilities for right-of-use assets	28	45 546	50 230
Taxes payable	29	64 795	59 927
Other liabilities	30	13 019	9 968
Accrued liabilities	31	113 886	171 864
Total short-term liabilities		**1 161 467**	**1 350 406**
Total creditors		**19 448 894**	**10 480 272**
TOTAL LIABILITIES		**21 238 419**	**11 739 270**

Notes on pages 11 to 36 form are integral part of these financial statements.

Krišjānis Znotiņš
Chairman of the Board

signature

5th of April, 2023

Annual report drawn up by:

Linda Misule
(Chief Accountant)

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STATEMENT OF CASH FLOWS

	Note number	2022 EUR	2021 EUR
Cash flow to/ from operating activities			
Profit or loss before taxation corporate income tax		**533 830**	**(918 320)**
Adjustment for:			
Amortisation and depreciation		1 845 027	2 353 887
Taxes accrued		339 210	1 003 098
Disposals of property, equipment and intangible assets		4 266 208	4 946 092
Impairment expenses		(744 339)	125 119
Financial guarantees		-	(172 907)
Decrease/ (increase) in deferred costs		84 651	432 690
Increase / (decrease) in accrued liabilities		(57 978)	(55 530)
Decrease/ (increase) in accrued income		65 562	16 885
		6 332 171	**7 731 014**
Adjustments for:			
Decrease/(increase) in advances to customers, trade and other receivables		(482 451)	135 482
Increase (+)/ decrease (-) in trade and other payables, contract liabilities and refund liabilities		46 656	(578 384)
Cash generated to /from operations, gross		**5 896 376**	**7 288 112**
VAT and other taxes paid		(333 667)	(1 122 085)
Corporate income tax paid		(3 978)	(432)
Net cash flows to/ from operating activities		**5 558 731**	**6 165 595**
Cash flow to/ from investing activities			
Purchase of property, equipment and other intangible assets		(2 610 301)	(3 538 068)
Loans		(11 533 655)	-
Net cash flows to/ from investing activities		**(14 143 956)**	**(3 538 068)**
Cash flow to/ from financing activities			
Increase from borrowings		9 622 842	2 166 705
Repayments for borrowings		197 528	(3 373 790)
Interest paid		(789 567)	(1 220 609)
Repayment of lease liabilities for right-of-use assets		(55 727)	(48 764)
Net cash flows to/ from financing activities		**8 975 076**	**(2 476 458)**
Change in cash and cash equivalents for the year		**389 851**	**151 069**
Cash and cash equivalents at the beginning of the year		**212 496**	**61 427**
Cash and cash equivalents at the end of the year	22	**582 347**	**212 496**

Notes on pages 11 to 36 form are integral part of these financial statements.

Krišjānis Znotiņš
Chairman of the Board
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5th of April, 2023

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Chief Accountant
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STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
As at 31.12.2020	**5 500 000**	**(611 075)**	**(2 857 793)**	**2 031 132**
Increase / decrease in reserve balance	-	339 462	-	**339 462**
Profit for the reporting year	-	-	(921 904)	**(921 904)**
Guarantee derecognition (Note 23)	-	-	(447 103)	**(447 103)**
Total comprehensive loss recognized in the reporting year			(1 369 007)	**(1 369 007)**
As at 31.12.2021	**5 500 000**	**(271 613)**	**(4 226 800)**	**1 001 587**
Increase / decrease in reserve balance	-	271 613	-	**271 613**
Profit for the financial year	-	-	530 527	**530 527**
Other comprehensive loss	-	-	(14 202)	**(14 202)**
Total comprehensive income recognized in the reporting year			544 729	**544 729**
As at 31.12.2022	**5 500 000**	**-**	**(3 710 475)**	**1 789 525**

Notes on pages 11 to 36 form an integral part of these financial statements.

Krišjānis Znotiņš
Chairman of the Board

signature

5th of April, 2023

Annual report drawn up by:

Linda Misule
(Chief Accountant)

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NOTES TO THE FINANCIAL STATEMENT

(1) Corporate information

AS "Renti" (the "Company") are located in 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 "Renti" is AS "mogo", reg. No. 50103541751. The Parent Company has 100% participating interest in AS "Renti".

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 2022 has been approved by decision of the Board of Directors on 05 April 2023.

(2) Summary of significant accounting policies

a) Basis of preparation

These financial statement as of and for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union.

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

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

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

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

The presentation and functional currency of the Company is Euro (EUR). The financial statement covers the period from 01 January 2022 till 31 December 2022. 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) Standards issued but not yet effective and not early adopted

The following new and amended standards are not expected to have a significant impact on the financial statement.

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

b) Significant 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.
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 or other mistakes are observed)
• 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
• payment schedule
• inkasso
• unsecured in process
• low probability of recovery, which further is divided into 13 more classifications in order to understand if there is a chance to receive the recovery or if cession is possible.

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

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

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 12months 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 it's debt instruments (including payment collection), but transfers a part of equitable title and interest to investors through P2P platform.

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

Receivable is arising from assignments made through P2P platform where the related investment is not yet transferred to the Company (Note 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 Mother 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 which the other entity is a member);

• Both entities are joint ventures of the same third party;
• One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
• The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
• The entity is controlled or jointly controlled by a person identified in (a);
• A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
• The entity, or any member of a 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 (FVLCOD)- 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 13.52%.

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 FVLCOD method. Assumptions applied for the determination of the FVLCOD 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 policies

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 fiancial statement ir 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 (FVLCOD)- 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 13.52%.

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 FVLCOD method. Assumptions applied for the determination of the FVLCOD 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 2021 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 risk.

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 uses12 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	**2022**	**2021**
	EUR	EUR
Rental income	5 010 676	6 543 201
Total	**5 010 676**	**6 543 201**

Breakdown of net turnover by geographical markets:

Country	**2022**	**2021**
	EUR	EUR
Latvia	5 010 676	6 543 201
Total	**5 010 676**	**6 543 201**

(5) Cost of Sales

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

	2022	**2021**
	EUR	EUR
Depreciation of fixed assets and amortization of intangible assets	1 798 765	2 304 600
Agent costs	147 151	459 281
Fleet maintenance costs	288 907	517 385
Personnel costs	262 536	191 510
GPS equipment maintenance costs	28 361	42 572
Office costs	17 163	22 908
Changes in vacation savings	-	(3 156)
Other costs	21 455	24 771
Total	**2 564 338**	**3 559 871**

(6) Selling expenses

	2022	**2021**
	EUR	EUR
Advertising and representation costs	189 080	130 512
Personnel costs	10 654	-
Total	**199 734**	**130 512**

(7) Administrative expenses

	2022 EUR	2021 EUR
Management services*	403 686	536 197
Business support services**	436 334	970 409
Depreciation of fixed assets	47 294	49 246
Audit and accounting costs	34 750	33 125
Personnel costs	72 611	54 693
Office cost	17 175	11 037
Bank fees	5 286	4 713
Changes in vacation savings	-	3 317
Professional services	1 893	630
Costs of legal services	480	524
Total	**1 019 509**	**1 663 891**

*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 if IT systems, promotion of cooperation with partners and other similar services.

(8) Other operating revenue

	2022 EUR	2021 EUR
Revenue from costs reimbursed by customers	153 569	370 138
Income from financial guarantees*	-	172 907
Fines received	160 416	173 977
Revenue from commissions on car sales	16 690	16 686
Revenue from OCTA services	52 517	61 899
Changes in provisions for uncollectible trade receivables	219 343	13 286
Other revenue	157 756	218 260
Revenue from sub-lease**	36 366	-
Total	**796 657**	**1 027 153**

*(see note 23)

**During 2022, the company recognized a gain of EUR 36 366 (2021: EUR 0) as profit from sub-lease to related party.

(9) Other operating expenses

	2022 EUR	2021 EUR
Result on disposal of fixed assets, net*	758 099	1 101 863
Losses from assignment transactions**	341 483	486 927
Debt collection costs	107 015	91 955
Costs related to peer-to-peer lending platform services	23 933	63 135
Fines	5 735	9 814
Write-offs of uncollectible receivables	9 090	25 573
Costs not related to economic activity	1 457	334
Changes in provisions for impairment of fixed assets	(524 996)	138 405
Other costs	1 666	234
Total	**723 482**	**1 918 240**

* The company's income from the sale of fixed assets during the reporting period amounted to EUR 3 499 660, while the residual value of excluded fixed assets amounted to EUR 4 257 759 the total net result – losses EUR 758 099.

** 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:

	2022 EUR	2021 EUR
Interest income from other persons	2 497	4 449
Interest income form sublease from related companies*	11 649	-
Interest income from related companies	8 981	-
Total	**23 127**	**4 449**

*During 2022, the company recognized interest income on lease receivables from related companies of EUR 11 649 (2021: EUR 0).

(11) Interest payments and similar expenses:

	2022 EUR	2021 EUR
Interest expense on borrowings from related companies	629 187	808 705
Other interest and similar charges*	94 943	407 917
Finance leasing interest expense**	62 996	-
Interest expense on the right to use premises	2 441	3 987
Total	**789 567**	**1 220 609**

* The remaining interest payments in the reporting year in the amount of EUR 94 943 consist of payments to the global online loan market platform holder Mintos (Mintos Finance Estonia OU).

** Including interest expenses in amount of EUR 17 435 for sub-lease agreements.

(12) Corporate income tax for the reporting year

	2022 EUR	2021 EUR
Calculated tax according to the declaration	3 303	3 584
Total	**3 303**	**3 584**

(13) Intangible investments

		Concessions, patents, licenses, trade marks and similar rights	Total intangible assets
		EUR	EUR
Acquisition value	**01.01.2022**	**173**	**173**
Acquisition value	**31.12.2022**	**173**	**173**
Accumulated depreciation	**01.01.2022**	**173**	**173**
Accumulated depreciation	**31.12.2022**	**173**	**173**
Closing net carrying amount at	**01.01.2022**	**-**	**-**
Closing net carrying amount at	**31.12.2022**	**-**	**-**

(14) Fixed assets

		Rental feet	Right-of-use assets	Other fixed assets and inventory	Total fixed assets
		EUR	EUR	EUR	EUR
Acquisition value	**01.01.2022**	**14 992 946**	**234 243**	**18 458**	**15 245 647**
Additions		2 609 971	-	330	2 610 301
Disposal		(5 953 022)	(7 418)	-	(5 960 440)
Acquisition value	**31.12.2022**	**11 649 895**	**226 825**	**18 788**	**11 895 508**
Accumulated depreciation	**01.01.2022**	**4 293 205**	**129 883**	**11 772**	**4 434 860**
Depreciation charge		1 794 148	47 294	3 585	1 845 027
Amortization of intangible assets that have been liquidated or reclassified		(1 694 232)	-	-	(1 694 232)
Impairment		(524 996)			(524 996)
Accumulated depreciation	**31.12.2022**	**3 868 125**	**177 177**	**15 357**	**4 060 659**
Net book value	**01.01.2022**	**10 699 741**	**104 360**	**6 686**	**10 810 787**
Net book value	**31.12.2022**	**7 781 770**	**49 648**	**3 431**	**7 834 849**

As at 31 December 2022, non-financial assets of rental fleet were tested for impairment. An impairment indication existed as Renti AS has been loss making since its establishment and only in year 2022 started generating profit.

Out of total rental fleet with the acquisition cost of EUR 13 972 574, impairment was identified for the total rental fleet with an acquisition cost of EUR 769 375. For those cars the recoverable amount is estimated to EUR 358 907. The recoverable amount was estimated based on the value in use method discounting the cash-flow using a WACC of 13.52%. The cash-flow was projected based on rental agreements' probabilities of default and early repayments. As a result, impairment loss was recognized in the amount of EUR 137 445. For the remaining rental fleet with the acquisition value of EUR 13 203 199, the recoverable amount was estimated as EUR 12 285 713.

Sensitivity analysis was performed to assess changes to key assumptions that could influence whether the carrying value of the rental fleet assets exceeded their recoverable amounts. If WACC would have increased by 2%, all other assumptions remaining the same including the rental income, acquisition cost would increase to EUR 779 961 and the recoverable amount of impaired assets would equal to EUR 363 961, additional impairment of EUR 2 267 would need to be recognized.

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

(15) Loans to related companies

	% rate	Date of payment	31.12.2022	31.12.2021
Long-term loans	EUR	EUR	EUR	EUR
Mogo LT UAB	12.75%	31.12.2027	11 553 655	-
Total long term loans	X	X	**11 553 655**	-

On December 14, 2022, a loan agreement was concluded between the Company and mogo LT UAB. The loan is repayable until December 31, 2027, and its interest rate is 12.75% per year. The balance of the loan on December 31, 2022 amounts to EUR 11 553 655.

(16) Sublease receivables from related parties

	31.12.2022	31.12.2021
	EUR	EUR
Long-term receivables		
Sublease receivables from related parties	614 170	-
Total long-term borrowings	**614 170**	-

	31.12.2022	31.12.2021
Short-term borrowings	EUR	EUR
Sublease receivables from related parties	160 407	-
Total	**160 407**	-

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 2022, the Company leases out 28 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 2027.

During 2022, the Company leases out 28 vehicles to related company SIA "Spaceship" 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 2027.
During 2022, the Company has sub-leased the vehicles that have been presented as a Sublease receivables from related parties.

(17) Trade receivables

	31.12.2022	31.12.2021
	EUR	EUR
Carrying amount of trade receivables	692 930	988 003
Provisions for bad and doubtful debtors	(514 473)	(733 816)
Total	**178 457**	**254 187**

Changes in provisions

	31.12.2022	31.12.2021
	EUR	EUR
Provisions at the beginning of the period	(733 816)	(747 102)
Provisions for bad and doubtful debtors	(234 934)	(523 884)
Excludes provisions for bad debts after their foreclosure	454 277	537 170
Provisions at the end of the period	**(514 473)**	**(733 816)**

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

2021	current EUR	1-30 EUR	31-90 EUR	>90 EUR	Total EUR
Receivables for rent services	23 700	106 391	22 883	835 029	988 003
Total ECL calculated for rent services	(2 210)	(27 736)	(9 080)	(694 790)	(733 816)
% from gross trade receivables	0%	3%	1%	70%	74%

2021	current EUR	1-30 EUR	31-90 EUR	>90 EUR	Total EUR
Receivables for rent services	21 299	76 066	21 210	574 355	692 930
Total ECL calculated for rent services	(1 941)	(20 193)	(8 310)	(484 029)	(514 473)
% from gross trade receivables	0%	3%	1%	70%	74%

For rent receivables in 2022 year ECL recognized in amount of EUR 514 473. (2021: EUR 733 816). 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.

(18) Receivables from related parties

	31.12.2022 EUR	31.12.2021 EUR
Carrying amount of debt owed by related companies	7 720	796
Total	**7 720**	**796**

(19) Other receivables

	31.12.2022 EUR	31.12.2021 EUR
Other trade receivables	-	1 826
Other debtors	11 141	13 292
Total	**11 141**	**15 118**

(20) Deferred expenses

	31.12.2022 EUR	31.12.2021 EUR
Insurance	31 495	5 510
Subscription to information databases	930	534
Other deferred charges	595	603
Advertising services	-	5 300
Agent services	13 345	154 688
Financial leasing administration fee	13 216	-
Other expenses related to the fleet	22 403	-
Total	**81 984**	**166 635**

According to the commercial agent agreement, which was terminated on June 30, 2020, the parent company provided agent services to AS "Renti" with the aim of attracting new clients to AS "Renti". Within the scope of this agreement, the company received various types of services, such as legal services, customer attraction, receivables management and similar services. The fee for the agent's service was determined in the amount of the agreed percentage of the total payments of the concluded lease agreement. In accordance with this agreement, AS "Renti" received the services of a commercial agent, listing them as future period expenses in the assets of the balance sheet, and accordingly including the expenses linearly in the period ½ of the term of the concluded agreement. As of December 31, 2022, the amount not included in expenses was EUR 13,345. (2021: EUR 154,688)

(21) Accrued income

	31.12.2022 EUR	31.12.2021 EUR
Accrued rental revenue	172 716	236 817
Accrued revenue from OCTA mediation	27 376	37 590
Accrued income from commissions for OCTA mediation	4 304	4 835
Accrued income from related companies	312	9
Accrued interest income on loans to related companies	8 981	-
Total	**213 689**	**279 251**

(22) Cash and cash equivalents

	31.12.2022 EUR	31.12.2022 EUR
Cash in bank accounts	579 057	200 233
Cash on hand	3 290	12 263
Total	**582 347**	**212 496**

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.

(21) Share capital

The share capital of the Company on December 31, 2022 is EUR 5 500 000 and consists of 5 500 000 shares with a nominal value of EUR 1 each.

(24) Uncovered losses:

The reporting year of the Company closed with a profit of EUR 530 527.

As of December 31, 2022, equity has increased to EUR 1 789 521, where the total amount of the Company's uncovered losses has decreased to EUR 3 710 479 compared to year 2021. The new product line successfully introduced in 2022, as well as the stabilization of the existing long-term rental client portfolio , allows planning for further improvement of financial indicators. Management believes that there are no significant doubts about the Company's ability to continue its operations in the future.

(25) Provisions for financial guarantees

Changes in other reserves	31.12.2022 EUR	31.12.2021 EUR
Residue at the beginning of the year	(271 613)	(611 075)
Fair value of new guarantees issued (1)	-	(426 046)
Derecognition of warranties (2)	252 597	611 075
Decrease in fair value of guarantees due to revaluation	19 016	154 433
Residue at the end of the year	**-**	**(271 613)**

Changes in provisions

	31.12.2022 EUR	31.12.2021 EUR
Provisions at the beginning of the year	257 411	322 677
Fair value of new guarantees issued (1)	-	426 046
Decrease in fair value of guarantees due to revaluation	(19 016)	(154 433)
Amortised to income before derecognition	-	(158 705)
Derecognition of warranties (2)	(238 395)	(163 971)
Increase	-	(14 203)
Provisions at the end of the year	**-**	**257 411**
Financial guarantee in favour of the bondholders of Mogo Finance S.A.	-	257 411
Total recognised in other operating income (Note 8)	-	(172 907)

(1) On October 14, 2021, the Related Company entered into a financial guarantee agreement in favor of Eleving Group S.A. bondholders. The guarantee was issued to ensure Eleving Group S.A. exposure to risk transactions following the issuance of corporate bonds ISIN XS2393240887 (as of December 31, 2021, the total nominal value of the bonds is EUR 150 million), which are listed on the open market of the Frankfurt Stock Exchange. The guarantee agreement stipulates that the Related Company irrevocably guarantees the payment of Eleving Group S.A. obligations to the bondholders in the event that Eleving Group S.A. fails to fulfill its obligations under the terms of the prospectus. AS "Renti" joined the aforementioned financial guarantee agreement as a guarantor on October 14, 2021. AS "Renti" has not received compensation for this issued guarantee. The fair value of financial guarantees is recognized as a liability and the distribution of equity in other reserves. The amount of the financial guarantee liability is amortized as income (Note 8) in accordance with the straight-line method until the maturity date of the notes, which is October 2026.

Under the guarantee agreement the Company, amongst other material group entities, irrevocably guarantees the payment of Eleving Group S.A. liabilities towards its bondholders in case of default of Eleving Group S.A. under the provisions of bond prospectus, however considering that the bonds are primarily secured by multiple share, asset and bank account pledges granted by several other material group entities, the Company has reevaluated the fair value of this guarantee by assessing the value of all unencumbered assets of each material group entity guaranteeing the payment of Eleving Group S.A. liabilities towards its bondholders, as well as the potential liability exposure of each guarantor under the bonds, and considers that the fair value of this financial guarantee is insignificant.

(2) On July 9, 2018, the Related Company concluded a financial guarantee agreement in favor of Mogo Finance S.A. bondholders. The guarantee was issued to ensure Mogo Finance S.A. exposure to risk transactions following the issue of corporate bonds ISIN XS1831877755 (as of December 31, 2019 and as of December 31, 2020, the total nominal value of the bonds is EUR 100 million), which are listed on the open market of the Frankfurt Stock Exchange. The guarantee agreement stipulates that the Related Company irreversibly guarantees Mogo Finance S.A. payment of obligations to bondholders in the event that Mogo Finance S.A. a default under the terms of the prospectus will occur. AS "Renti" joined the aforementioned financial guarantee agreement as a guarantor on May 31, 2019. AS "Renti" has not received compensation for this issued guarantee. The fair value of financial guarantees is recognized as a liability and the distribution of equity in other reserves. The amount of the financial guarantee liability is amortized as income (Note 8) in accordance with the straight-line method until the maturity date of the notes, which is July 2022. On October 12, 2021, the Global Release Agreement was signed, which stipulates that all security documents (guarantees and pledges) of the old bonds will be completely terminated after the redemption of the old bonds. Pursuant to this agreement, the warranty was terminated and the remaining reserves and provisions were extinguished.

(26) Other borrowings

	% rate	Date of payment	31.12.2022 EUR	31.12.2021 EUR
Long-term borrowings				
Funding attracted through peer-to-peer platforms	6%-14%	30.11.2025	1 371	2 093 636
Finance lease liabilities	2.90%-5.43%	31.12.2027	1 599 999	-
Borrowings - Liabilities for rights-of use assets	5.032%	30.06.2027	707 215	-
Total long-term borrowings	X	X	**2 308 585**	**2 093 636**

Short-term borrowings	% rate	Date of payment	31.12.2022 EUR	31.12.2021 EUR
Funding attracted through peer-to-peer platforms	6%-14%	30.11.2025	7 986	814 153
Finance lease liabilities	2.90%-5.43%	31.12.2027	438 200	-
Borrowings - Liabilities for rights-of use assets	5.032%	30.06.2027	190 166	-
Total	X	X	**636 352**	**814 153**

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 6%-14% per annum . The balance of the borrowing at December 31, 2022 amounts to EUR 9 357.

The amount repayable under the contract more than one year after the balance sheet date amounts to EUR 1 371 on December 31, 2022. There are no contracts repayable more than five years after the balance sheet date as of December 31, 2022.

During 2022, the Company attracted additional financing from SIA "Citadele leasing". During 2022, 127 new cars were purchased using financial leasing to supplement the rental car fleet (including see note no. 14 on subleased cars to a related company). Leasing contract period: 60 months, fixed part of the interest rate 2.900% + 3-month EURIBOR.

(27) Payables to related parties

	% rate	Date of payment	31.12.2022 EUR	31.12.2021 EUR
Long-term liabilities				
Borrowing from AS mogo*)	12.5%	03.01.2024	15 971 867	6 978 212
Total long-term liabilities			**15 971 867**	**6 978 212**

	31.12.2022	31.12.2021

Short-term liabilities	31.12.2022 EUR	31.12.2021 EUR
Product debt	1 300	-
Debt for services received	679	93 332
Accumulated interest on the loan from AS "mogo"	57 438	-
Total short-term liabilities	**59 417**	**93 332**

*) The item shows the debt to the parent company AS "mogo" for the received loan in accordance with the loan agreement from January 3, 2019 and its annexes. The loan is repayable until January 3, 2024, and its interest rate is 12.5% per annum. The loan balance on December 31, 2022 amounts to EUR 15 971 867.

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

	% rate	Date of payment	31.12.2022 EUR	31.12.2021 EUR
Long-term liabilities				
Lease liabilities for right-of-use assets - premises	2.14-2.96%	1-5 years	6 975	58 018
Total long-term liabilities	X	X	**6 975**	**58 018**

Short-term liabilities	% rate	Date of payment	31.12.2022 EUR	31.12.2021 EUR
Lease liabilities for right-of-use assets - premises	2.14-2.96%	1-5 years	45 546	50 230
Total short-term liabilities	X	X	**45 546**	**50 230**

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").

(29) Taxes payable

	31.12.2022 EUR	31.12.2021 EUR
Corporate income tax	2 891	3 550
Business risk state fee	4	5
Value added tax	52 571	48 832
Social security contributions	6 188	4 910
Personal income tax	3 141	2 630
Total	**64 795**	**59 927**

Including:	31.12.2022 EUR	31.12.2021 EUR
Tax overpayment	-	-
Tax debt	64 795	59 927

(30) Other liabilities

Short-term other creditors	31.12.2022 EUR	31.12.2021 EUR
Settlement of liabilities to employees of the Company	12 651	8 831
Other creditors	368	1 137
Total short-term other creditors	**13 019**	**9 968**

(31) Accrued liabilities

	31.12.2022 EUR	31.12.2021 EUR
Savings for vacations	15 181	12 221
Accrued liabilities for uncollected invoices	46 680	49 192
Accrued liabilities for uncollected invoices from related parties	45 732	100 611
Accrued liability for payment of annual bonuses	6 293	9 840
Total	**113 886**	**171 864**

(32) 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 2022 EUR	Amount of the transaction 2021 EUR
Parent company	Purchased goods	208 330	199 430
	Goods sold	26 310	67 590
	Services received	436 334	970 409
	Services provided	18 958	17 009
	Other purchases	11 767	66 316
	Other sales	15 996	3 101
	Borrowings	13 108 665	10 542 000
	Borrowings repaid	4 115 000	9 184 000
	Interest expense	629 187	808 705

Related party	Description of the transaction	Amount of the 2022 EUR	Amount of the transaction 2021 EUR
Other related companies			
	Goods sold	534	-
	Services received	428 829	536 197
	Other purchases	2 664	1 996
	Interest income	8 981	-
	Loans issued	11 553 665	-
	Sublease receivables from related parties	774 577	-
	Profit from sub-lease	36 366	-

(33) Average number of employees

	2022	2021
Average number of employees	15	16

(34) Personnel costs

	2022	2021
	EUR	EUR
Remuneration for work	278 396	196 450
State social insurance contributions	65 674	46 342
Other personnel costs	1 731	3 411
Other personnel expenses	345 801	246 203

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

On January 25, 2019 Renti AS and Mintos Finance Estonia OU entered into Commercial Pledge Agreement No 49/2018-P. The basic agreement is the Cooperation Agreement on the issuance of loans No. 49/2018-L concluded on January 25, 2019. Subject of commercial pledge: existing and future claim rights of the commercial pledger against Third Parties. The maximum amount of secured claims is EUR 10 000 000.

Starting from October 14, 2021, Eleving Group S.A. and some of its subsidiaries (including AS "Renti") entered into several pledge agreements with TMF Trustee Services GmbH, establishing a pledge over the shares of these subsidiaries, a pledge over the existing and future shares of these subsidiaries loan debts, pledge of trademarks from these subsidiaries, general business pledge over these subsidiaries, pledge primary bank accounts, if possible, to secure Eleving Group S.A. obligations to bondholders arising from Eleving Group S.A. bonds (ISIN: XS2393240887). According to the commercial pledge agreement concluded with TMF Trustee Services GmbH, the value of the pledged assets as of December 31, 2021 is EUR 8.5 million.

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 22.5 million. According to the commercial pledge agreement concluded with AS "Citadele banka", the value of the pledged assets of AS "Renti" as of December 31, 2022 is EUR 3 million.

(36) 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	Fair value	Carrying value	Fair value
	31.12.2022	31.12.2022	31.12.2021	31.12.2021
	EUR	EUR	EUR	EUR
Assets for which fair value is disclosed				
Loans to related parties (do not include loans to mogo group companies)	8 981	8 981	-	-
Other non-current financial assets	8 981	8 981	-	-
Other short term receivables from related parties (do not include receivables from mogo group companies)	103 375	103 375	186 589	186 589
Cash and cash equivalents	582 346	582 346	212 495	212 495
Total assets for which fair value is disclosed	**703 683**	**703 683**	**399 084**	**399 084**

Liabilities for which fair value is disclosed				
Loan from related parties (do not include loans from mogo group companies)	2 994 719	2 994 719	2 589 852	2 589 852
Lease liabilities for right-of-use assets	52 521	52 521	108 248	108 248
Financing received from P2P investors	6 620	6 620	2 481 603	2 481 603
Trade payables	25 194	25 194	45 080	45 080
Other liabilities	625 143	625 143	740 349	740 349
Total liabilities for which fair value is disclosed	**3 704 197**	**3 704 197**	**5 965 132**	**5 965 132**
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**3 704 197**	**3 704 197**	**5 965 132**	**5 965 132**

	Level 1 31.12.2022 EUR	Level 2 31.12.2022 EUR	Level 3 31.12.2022 EUR	Level 1 31.12.2021 EUR	Level 2 31.12.2021 EUR	Level 3 31.12.2021 EUR
Assets for which fair value is disclosed						
Other short term receivables from related parties (do not include receivables from mogo group companies)	-	-	103 375	-	-	186 589
Cash and cash equivalents	582 347	-	-	212 496	-	-
Total assets for which fair value is disclosed	**582 347**	**-**	**103 375**	**212 496**	**-**	**186 589**

	Level 1 31.12.2022 EUR	Level 2 31.12.2022 EUR	Level 3 31.12.2022 EUR	Level 1 31.12.2021 EUR	Level 2 31.12.2021 EUR	Level 3 31.12.2021 EUR
Liabilities for which fair value is disclosed						
Loan from related parties (do not include loans from mogo group companies)	-	-	2 994 719	-	-	2 589 582
Lease liabilities for right-of-use assets	-	-	52 521	-	-	108 248
Financing received from P2P investors	-	-	6 620	-	-	2 481 603
Trade payables	-	-	25 194	-	-	45 080
Other liabilities	-	-	625 143	-	-	740 349
Total liabilities for which fair value is disclosed	**-**	**-**	**3 704 197**	**-**	**-**	**5 964 862**
Total liabilities measured at fair value and liabilities for which fair value is disclosed	**-**	**-**	**3 704 197**	**-**	**-**	**5 964 862**

(37) Continuing operations

The company closed the reporting year with a profit, as well as the working capital as of December 31, 2022 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.

(38) Events after the balance sheet date

In 2022, many significant sanctions have been imposed by European Union and various countries on Russia and Belarus, certain Russian and Belarusian companies, companies in other jurisdictions, officials, businessmen and other physical persons in connection with the ongoing war in Ukraine, which began on 24 February, 2022. Imposed sanctions and restrictions and military actions creates the economic uncertainty in the World and in Latvia. The full impact of the sanctions and restrictions and military actions on the Company's operations in 2022 cannot be fully predicted, but the Company believes that the sanctions and restrictions imposed and military actions after the date of the financial statements will not materially affect the Company's operations both directly and indirectly. Company`s assumption is based on available information at the time of signing the financial statements, and the impact of future events on the Company's future operations may differ from Company's assessment.

Krišjānis Znotiņš
Chairman of the Board

signature

5th of April, 2023

Annual report drawn up by:

Linda Misule
(Chief Accountant)

signature

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Independent Auditor's Report

To the shareholder of AS "Renti"

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS "Renti" (the Company) set out on pages 6 to 36 of the accompanying annual report, which comprise:

- the statement of comprehensive income for the year ended 31 December 2022,
- the statement of financial position as at 31 December 2022,
- statement of changes in equity for the year ended 31 December 2022,
- statement of cash flows for the year ended 31 December 2022,
- 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 "Renti" as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting 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.

Other matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 5, 2023.

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 page 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 International Financial Reporting Standards as adopted by the European Union (IFRS) 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
Kalku street 15-3B, Riga, LV 1050
License No 182

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

Riga, Latvia
5 April, 2023