JSC Eleving Solis (former Mogo Africa)

(UNIFIED REGISTRATION NUMBER 40203182962)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE

WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

Riga, 2022

CONTENTS

General information

Name of the Company	Eleving Solis (former Mogo Africa)	
Legal status of the Company	JSC	
Unified registration number, place and date of registration	Riga, 28 November 2018	
Registered office	Skanstes street 52, Riga	
Shareholders		31.12.2021
	Eleving Vehicle Finance JSC	88%
	Other	12%
	TOTAL	**100%**
Ultimate parent company	Eleving Group S.A. (Luxembourg)	

Board Members

Tomas Sudnius - Chairman of the Board from 28.11.2018.

Māris Kreics - Member of the Board from 13.01.2021.

Marius Barys - Member of the Board from 13.01.2021.

Marina Samuilova - Member of the Board from 17.06.2020 till 13.01.2021.

Council Members

Modestas Sudnius - Chairman of the Council from 10.05.2021.

Kārlis Bērziņš - Deputy Chairman of the Council from 10.05.2021.

Toms Puriņš - Member of the Council from 10.05.2021.

Modestas Sudnius - Chairman of the Council from 28.11.2018. to 10.05.2021.

Jūlija Lebedinska-Ļitvinova - Deputy Chairman of the Council from 29.12.2020. to 10.05.2021.

Toms Puriņš - Member of the Council from 29.12.2020. to 10.05.2021.

Subsidiaries:	Subsidiary name	Country of incorporation	% equity interest
	Mogo Auto Ltd	*Kenya*	*100.0%*
	Mogo Kenya Ltd	*Kenya*	*100.0%*
	Eleving Solis UAB	*Lithuania*	*100.0%*
	Mogo Loans SMC Ltd	*Uganda*	*100.0%*
	Mogo Lend LTD	*Uzbekistan*	*99.1%*

Financial year	1 January - 31 December 2021
Previous financial year	1 January - 31 December 2020

Auditors:	Certified auditor:
Revidentu birojs Gatis Sviklis Lāsma Svikle SIA	Gatis Sviklis
Licence Nr.181	Certificate No. 202
Kr.Valdemāra str. 123-15	
Riga, LV-1013, Latvia	

Management report

30 September 2022

The Board members of the Company present the report on the separate financial statements for the year ended 31 December 2021. All the figures are presented in EUR (euro).

General information

JSC "Eleving Solis" (hereinafter - the Company) is a company that provides management services to its related companies, such as financial management, development of marketing strategy, provision of IT services and other strategically important services in service recipient companies.

Mission, vision and values

Mission

The company's mission is to help its clients implement and maintain sustainable financial, marketing, IT and other strategies that would result in rapid development of these companies.

Vision

The company's vision is to become an important partner for clients to ensure further development of these companies.

Values

▪ Availability – the Company provides the necessary human resources.
▪ Open communication and adaptation – the core value of the Company is an open communication and an adaptive approach to each and every customer, which results in a mutually beneficial outcome in every situation.
▪ Long term relationship – the Company values and creates mutually beneficial long term relationship with all its customers, it welcomes feedback and suggestions for improvement.

Operations and Financial Results

Total assets of the Company reached 12.7 million euro (48% increase, compared to 2020), Operational service income reached 670.2 thousand euro (266% increase compared to 2020), and net loss of the Company amounted to -3.1 million euro (726% increase, compared to 2020). Changes in the value of the dollar and losses from currency conversion transactions have a significant negative impact on the financial result of the reporting year.

In 2021, the Company continued its work to implement its mission, namely to offer fast and easily accessible services, as well as to expand the range of services provided. The company continued to make extensive resource investments in the development of information system solutions in order to continuously improve its operational activity in the near future, automating the existing processes, while simultaneously increasing customer satisfaction with the services received.

The future development of the Company

In 2022, the Company continues its work to ensure its mission. Despite the fact that the Company has negative working capital and the Company's ability to continue its operations in the future depends on the financial support provided by the parent company, the Company's management believes that the Company will be able to continue its operations in the future. If the losses from the sale of dollars continue, the Company's management will have to evaluate potential solutions for reducing and covering the losses.

Management report (continued)

Significant risks and uncertainties

After March 2020, in the Republic of Latvia and many other countries, restrictions related to the spread of the coronavirus have entered into force, which significantly reduce economic development in the country and in the world. Also in the reporting year, various restrictions were introduced around the world to reduce the spread of the virus. It is not predictable how the situation could develop in the future, and therefore, there is uncertainty of economic development. The management of the company continuously evaluates the situation. Currently, the Company's management does not feel the consequences for the Company's operation. The management of the Company believes that the Company will be able to overcome the emergency situation. However, this conclusion is based on the information that is available at the time of signing this financial report, and the impact of future events on the Company's operations in the future may differ from the management's assessment.

The Company's key principles of finance risk management are presented in the Note 3

On December 31, 2021, the Company's short-term liabilities exceeded its current assets by EUR 1 177 875 (in 2020 by EUR 237 270), and the Company also had a negative equity of EUR 229 139 (in 2020 - positive EUR 2 856 048), as well as the financial result of the reporting period was a loss.

The Company has received a written confirmation from the parent company, in which the parent company confirms that it will continue to financially support the Company and, if necessary, will provide the Company with additional financial resources for the settlement of obligations within the stipulated terms. Therefore, the Company's management believes that it will not have a liquidity problem and will be able to settle with creditors within the specified terms. Accordingly, the Company's management believes that the going concern principle is applicable in the preparation of these financial statements.

The Company's key principles of finance risk management are presented in the Note 19

Subsequent events

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.

Information about subsequent events is disclosed in Note 21.

Signed on behalf of the Company on 30 September 2022 by:

Tomas Sudnius ______________________
Chairman of the Board

Māris Kreics ______________________
Member of the Board

Marius Barys ______________________
Member of the Board

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Statement of Management Responsibility

30 September 2022

JSC Eleving Solis management is responsible for preparation of the separate financial statements.

Management of the Company declares that in accordance with the information in their possession, separate financial statements have been prepared in accordance with accounting transaction documentation and with the International Financial Reporting Standards as adopted by EU and give a true and fair view of the Company's assets, liabilities, financial position as at 31 December 2021, results of operations and cash flows for the year ended 31 December 2021.

Management of the Company confirms that an appropriate and consistent accounting policies and management estimates are used. Management of the Company confirms that the separate financial statements are prepared using prudence principle as well as the going concern assumption. Management of the Company confirms its responsibility for maintaining proper accounting records, as well as monitoring, control and safeguarding of the Company's assets.

The Company's management is responsible for detection and prevention of the error, inaccuracy and / or fraud. The Company's management is responsible for the Company's activities to be carried out in compliance with the legislation of the Republic of Latvia.
The management report includes a fair view of the development of the Company's business and results of operation.

Signed on behalf of the Company on 30 September 2022 by:

Tomas Sudnius ______________________
Chairman of the Board

Māris Kreics ______________________
Member of the Board

Marius Barys ______________________
Member of the Board

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Separate Financial Statements

Separate Statement of Comprehensive Income

	Note	2021 EUR	2020 EUR
Operational service income	**4**	670 192	182 919
Administrative expense	**5**	(659 532)	(407 444)
Other operating income		1 121	6 636
Other operating expense		(6 339)	(8 177)
Interest revenue		-	3 525
Interest expense	**6**	(877 843)	(150 889)
Net foreign exchange result	**7**	(2 212 786)	(75)
Profit before tax		**(3 085 187)**	**(373 505)**
Corporate income tax		-	(72)
Net profit for the period		**(3 085 187)**	**(373 577)**
Total comprehensive income for the year		**(3 085 187)**	**(373 577)**

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

Signed on behalf of the Company on 30 September 2022 by:

Tomas Sudnius ____________________
Chairman of the Board

Māris Kreics ____________________
Member of the Board

Marius Barys ____________________
Member of the Board

Ieva Bernharde ____________________
Chief Accountant

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Separate Statement of Financial Position

ASSETS

NON-CURRENT ASSETS	Note	31.12.2021 EUR	31.12.2020 EUR
Intangible assets	**8**		
Licenses		-	1 000
Software		792 042	401 756
Total intangible assets		**792 042**	**402 756**
Tangible assets	**9**		
Right-of-use assets		29 878	33 775
Property and equipment		7 823	13 815
Total tangible assets		**37 701**	**47 590**
Non-current financial assets			
Investments in Subsidiary	**10**	10 971 349	7 971 551
Total non-current financial assets		**10 971 349**	**7 971 551**
TOTAL NON-CURRENT ASSETS		**11 801 092**	**8 421 897**
CURRENT ASSETS			
Receivables and other current assets			
Related party receivables	**11**	764 103	22 367
Contract assets	**12**	43 891	36 877
Prepaid expense		1 680	14 657
Other receivables	**13**	21 512	21 577
Cash and cash equivalents	**14**	22 975	5 832
Total receivables and other current assets		**854 161**	**101 310**
TOTAL CURRENT ASSETS		**854 161**	**101 310**
TOTAL ASSETS		**12 655 253**	**8 523 207**

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

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Separate Statement of Financial Position

EQUITY AND LIABILITIES

		31.12.2021	31.12.2020
EQUITY	**Note**	**EUR**	**EUR**
Share capital	**15**	39 743	39 743
Retained earnings		(268 882)	2 816 305
brought forward		2 816 305	3 189 882
for the period		(3 085 187)	(373 577)
Total equity		**(229 139)**	**2 856 048**
LIABILITIES			
Non-current liabilities			
Borrowings	**16**	10 852 356	5 328 579
Total non-current liabilities		**10 852 356**	**5 328 579**
Current liabilities			
Forward exchange contracts	**7**	1 407 517	-
Borrowings	**16**	534 868	151 131
Accrued liabilities	**17**	78 641	41 731
Payables to related companies		78	99 399
Trade payables		104	3 126
Taxes payable		-	29 262
Other liabilities		10 828	13 931
Total current liabilities		**2 032 036**	**338 580**
TOTAL LIABILITIES		**12 884 392**	**5 667 159**
TOTAL EQUITY AND LIABILITIES		**12 655 253**	**8 523 207**

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

Signed on behalf of the Company on 30 September 2022 by:

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Separate Statement of Changes in Equity

	Share capital	Retained earnings	**Total**
	EUR	EUR	**EUR**
Balance at 01.01.2020	**35 000**	**3 286 340**	**3 321 340**
Share capital increase	**4 743**	**-**	4 743
Profit for the reporting year	-	(373 577)	(373 577)
Branch consolidation	-	(96 458)	(96 458)
Balance at 31.12.2020	**39 743**	**2 816 305**	**2 856 048**
Balance at 01.01.2021	**39 743**	**2 816 305**	**2 856 048**
Profit for the reporting year	-	(3 085 187)	(3 085 187)
Balance at 31.12.2021	**39 743**	**(268 882)**	**(229 139)**

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

Signed on behalf of the Company on 30 September 2022 by:

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Separate Statement of Cash Flows

Cash flows to/from operating activities	Note	2021 EUR	2020 EUR
Profit before tax from continuing operations		(3 085 187)	(373 505)
Adjustments for:			
Amortisation and depreciation	**5, 8, 9**	102 502	69 986
Interest expense	**6**	877 843	150 889
Interest income		-	(3 525)
(Gain)/loss from fluctuations of currency exchange rates	**7**	1 407 517	-
Disposals of tangible and intangible assets	**8, 9**	-	620
Operating profit before working capital changes		**(697 325)**	**(155 535)**
Decrease/ (increase) in inventories		-	-
Decrease/ (increase) in trade and other receivables		(735 708)	(45 173)
Increase in advances received and trade payables		(97 798)	(166 396)
Cash generated to/from operations		**(1 530 831)**	**(367 104)**
Interest received		-	3 525
Interest paid	**16**	(493 467)	(26 164)
Corporate income tax paid		-	(72)
Net cash flows to/from operating activities		**(2 024 298)**	**(389 815)**
Cash flows to/from investing activities			
Purchase of tangible and intangible assets	**8, 9**	(481 899)	(257 832)
Investments in Subsidiary		202	(994)
Net cash flows to/from investing activities		**(481 697)**	**(258 826)**
Cash flows to/from financing activities			
Paid in share capital		-	4 743.00
Proceeds from borrowings	**16**	4 150 500	758 500
Repayments for borrowings	**16**	(1 623 000)	(113 000)
Repayment of lease liabilities for right-of-use assets	**16**	(4 362)	(20 110)
Net cash flows to/from financing activities		**2 523 138**	**630 133**
Effect of exchange rates on cash and cash equivalents		-	-
Change in cash		**17 143**	**(18 508)**
Cash at the beginning of the year		5 832	24 340
Cash at the end of the year	**14**	**22 975**	**5 832**

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

Signed on behalf of the Company on 30 September 2022 by:

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Member of the Board

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Ieva Bernharde ____________________
Chief Accountant

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Notes to the separate financial statements

1. Corporate information

Eleving Solis JSC (registration number 40203182962) is a Latvian company. The Company was incorporated in Riga on November 28, 2018 as a joint stock company for an unlimited duration, subject to general company law.

The ultimate parent company of Eleving Solis JSC is Eleving Group S.A. (Luxembourg). The ultimate beneficiary owner of mogo JSC is Aigars Kesenfelds (37.9%). The share of the rest shareholders does not exceed 25%.

The core business activity of the Company comprises of providing management services to its related companies.

Annual report of 2021 has been approved by decision of the board on 30 September 2022.

Shareholders have the separate financial statements approval rights after their approval by the Board of Directors.

	2021	2020
Average number of employees during the reporting year	6	8

2. Summary of significant accounting policies

a) Basis of preparation

These annual separate financial statements as of and for the year ended 31 December 2021 are prepared in accordance with International Financial Reporting Standards as adopted in the European Union.

First-time Adoption of International Financial Reporting Standards.
This year, for the first time, the Company chose to prepare financial statement in accordance with the IFRS. The transition form Latvia GAAP to the IFRS did not lead to any differences in the Company's financial statements, namely, there were no differences in the recognition of assets, liabilities, equity items or items of comprehensive income. The absence of differences is explained by the fact that accounting principles according to Latvian GAAP and IFRS are similar, in addition, the Company has previously recognized Right-of-use assets according to IFRS 16, which is permitted by Latvian law in exceptional cases.

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

The separate financial statements are prepared on a historical cost basis except for the recognition of financial instruments measured at fair value.

The Company's presentation and functional currency is euro (EUR). The separate financial statements cover the period from 01 January 2021 till 31 December 2021. Accounting policies and methods are consistent with those applied in the previous years.

The management does not use segmental approach to operational decision-making.

Going concern

These separate financial statements are prepared on the going concern basis.

Going concern assumptions in the context of subsequent events are disclosed under 'Going concern (non-adjusting subsequent events)' (Note 3).

b) Standards issued but not yet effective and not early adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Other standards

The following new and amended standards are not expected to have a significant impact on the Company’s separate financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).b
- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).c
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

2. Summary of significant accounting policies (continued)

c) Significant accounting policies

Internally generated intangible assets

Internally generated intangible assets primarily include the development costs of Company's information management systems. These costs are capitalized only if they satisfy the criteria as defined by IAS38 and described below.

Internal and external development costs on management information systems arising from the development phase are capitalized. Significant maintenance and improvement costs are added to the initial cost of assets if they specifically meet the capitalization criteria.

Internally generated intangible assets cost value is increased by the Company's information technology costs - salaries and social security contribution capitalization. Asset useful life is reassessed by management at each year end and amortization periods adapted accordingly.

Internally generated intangible assets are amortized over their useful lives 5 years.

According to IAS38, development costs shall be capitalized if, and only if, the Company can meet all of the following criteria:

• the project is clearly identified and the related costs are itemized and reliably monitored;
• the technical and industrial feasibility of completing the project is demonstrated;
• there is a clear intention to complete the project and to use or sell the intangible asset arising from it;
• the Company has the ability to use or sell the intangible asset arising from the project;
• the Company can demonstrate how the intangible asset will generate probable future economic benefits;
• the Company has adequate technical, financial and other resources to complete the project and to use or sell the intangible asset.

When these conditions are not satisfied, development costs generated by the Company are recognized as an expense when incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is completed and the asset is available for use.

Additional information is included in Notes 3 and 8.

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 consists of acquired computer software products.

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

Concessions, patents, licences and similar rights	- over 1 year;
Internally developed intangible assets	- over 7 years;
Other intangible assets	- over 2 to 7 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;
Other equipment	- over 2 years.

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

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising 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 comprehensive income in the year the item is derecognized.

2. Summary of significant accounting policies (continued)

c) Significant accounting policies (continued)

Financial assets

Financial assets are recognized on the date when Company enters into the contract giving rise to the financial instruments. The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Receivables are measured at the transaction price.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through the statement of comprehensive income are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. This category generally applies to liabilities according to Forward exchange contracts.

- Loans and borrowings

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

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

This category generally applies to borrowings.

Modification of financial liabilities

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

Treatment of non-substantial modifications

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

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

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

Derecognition

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

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

2. Summary of significant accounting policies (continued)

c) Significant accounting policies (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Finance lease - Company as lessee

Lease liability

Initial recognition

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

• fixed payments (including in-substance fixed payments), less any lease incentives receivable;

• variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable by the Company under residual value guarantees;

• the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

• payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

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

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

(a) Periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and

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

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

Subsequent measurement

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

• increasing the carrying amount to reflect interest on the lease liability;

• reducing the carrying amount to reflect the lease payments made; and

• remeasuring the carrying amount to reflect any reassessment or lease modifications specified, or to reflect revised in-substance fixed lease payments.

Right-of-use assets

Initial recognition

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

Subsequent measurement

The 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 recognised 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 the Company`s 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 involvement with the underlying asset before the commencement date

If a 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.

2. Summary of significant accounting policies (continued)

c) Significant accounting policies (continued)

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 recognise a lease liability or right-of-use asset. The Company recognises 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. The 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.

Cash and cash equivalents

Cash comprises cash at bank.

Vacation pay reserve

Vacation pay reserve is calculated based on Latvian legislation requirements.

Investments in subsidiary

Investments in Subsidiary (i.e. where the Company holds more than 50% interest of the share capital or otherwise controls the company) are recognised at cost in the separate financial statements according to IAS 27. Following initial recognition, investments in Subsidiary and associates are carried at cost less any accumulated impairment losses. The carrying values of investments are reviewed for impairment at each statement of financial position date. The Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary or associate and its carrying value, then, recognises the loss in the statement of comprehensive income.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

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

Income and expenses

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

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

The effective interest rate method

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

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

Expenses related to attracting funding

Expenses related to attracting funding consists of administration fee for using peer-to-peer platform. Expenses are charged monthly and recognised in the Company's statement of comprehensive income when they occur.

2. Summary of significant accounting policies (continued)

c) Significant accounting policies (continued)

Revenue and expenses from contracts with customers

Revenue from contracts with customers in scope for IFRS 15 encompasses sold goods or services provided as output of the Company's ordinary activities. The Company uses the following criteria to identify contracts with customers:
– the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
– can be identified each party's rights regarding the goods or services to be transferred;
– can be identified the payment terms for the goods or services to be transferred;
– the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract);
– it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

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

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

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

Revenue and expenses from contracts with customers (continued)

Revenue from satisfied performance obligations is recognized over time, if one of the following criteria is met:
– customer simultaneously receives and consumes the benefits;
– customer controls the asset as it is created or enhanced;
– the Company's performance creates an asset and has a right to payment for performance completed.

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

In the year 2021 and 2020 the Company did not enter into contracts with rights of return, financing components, non cash considerations or consideration payable to customer.

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

a) a good or another asset from the other party that it then transfers to the customer.

b) a right to a service to be performed by the other party, which gives the entity the ability to direct that party to provide the service to the customer on the entity's behalf.

c) a good or service from the other party that it then combines with other goods or services in providing the specified good or service to the customer.

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

Contract balances

Contract assets

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

At 31 December the Company have contract assets in its statement of financial position. See Note 12.

Trade receivables

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

These receivables are disclosed in balance sheet caption 'Trade receivables' (Note 11).

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

Contract liabilities

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

2. Summary of significant accounting policies (continued)

c) Significant accounting policies (continued)

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. Both distributed profits and deemed profit distributions have been subject to the tax rate of 20 per cent of their gross amount. Corporate income tax on dividends is recognized in the separate statement of comprehensive income 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.

No provision is recognized for income tax payable on a dividend distribution before dividends are declared.
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 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 followingconditions applies:

• The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

• One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

• Both entities are joint ventures of the same third party;

• One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

• The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

• The entity is controlled or jointly controlled by a person identified in (a);

• A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

• The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

Dividend distribution

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

Subsequent events

Post period-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the separate financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material (Note 21).

3. Significant accounting judgments, estimates and assumptions

The preparation of the separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies. The most significant judgment is related to the Company's ability to continue as a going concern, while significant areas of estimation uncertainty used in the preparation of the separate financial statements are impairment of financial assets, impairment tests for investments in subsidiaries and fair value of financial guarantees. Although these estimates and judgements along with other items listed below are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates.

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

Going concern

These financial statements are prepared on going concern basis. In the light of events related to Covid-19, the Company's management has assessed the impacts of the coronavirus outbreak on the Company's ability to continue as a going concern.

Similarly to other industry participants the Company faced the following wider economic impacts of the COVID-19 in Q1 of 2020:

– Disruption to business operations and economic activity in Latvia, with a cascading impact on both upstream and downstream supply chains;
– Significant disruption to businesses in certain sectors, both within Latvia and in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail, insurance, education and the financial sector;
– Significant decrease in demand for non-essential goods and services;
– An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.

Management further considered the following operation risks that may adversely affect the Company and Company's subsidiaries:

– Temporarily closed offline sales channels;
– Workforce unavailability for extended period;
– Recession in the global economy, as already confirmed by a number of economic forecasts done internationally, that would significantly reduce the purchasing power of end consumers and businesses.

The Company operates in a sector indirectly subject to temporary lockdown and state of emergency imposed by the government effects, and global circumstances and therefore it has experienced reasonably expected decrease in its financial performance over the COVID-19 period.

In order to mitigate the economic impacts of COVID-19 outbreak and strengthen the Company's liquidity, assure positive cash balances and ultimately cash accumulation, the Company's management implemented the measures for the Company and it's subsidiaries, which include:

– Formation of the crisis management team;
– Limiting the issuances of the new loans over the lock-down period;
– Existing portfolio debt collection strategy revision, covering the addition of additional debt collection tools and revamped debt collection approach;
– Strengthening the underwriting through continuous COVID-19 impact assessments;
– Successful implementation of work from home ensuring continuity of core processes;
– Employees have been required to adhere to very strict precautionary standards including social distancing and other health and safety best practices followed by published government guideline;
– Reviewing and renegotiating payment terms with suppliers;
– Significant cost revision activities.

The company's management has conducted stress tests regarding possible future scenarios, including taking into account the possible negative impact caused by the COVID-19 pandemic and the economic crisis caused by it, which include:

- analyzed possible losses for the investment in the subsidiary company as a result of negative events;
- analyzed possible losses from the recovery of receivables as a result of negative events.

Based on the results of the stress tests, the Company's management has concluded that in the foreseeable future the Company will be able to continue operating even under the influence of very negative scenario results.

Management cannot however preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in will not have an adverse effect on the Company, and its financial position and operating results, in the medium and longer term. We continue to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

3. Significant accounting judgments, estimates and assumptions (continued)

Impairment assessment of investments in subsidiary

Key assumptions used in value in use calculations:

The recoverable amount was determined based on the free cash flow to equity model (value in use) using perpetuity discounted cash flow projections covering a three -year period with a terminal year.

To determine the recoverable amount, discount rates applied to the cash flow projections were between 16.31% and 28.07% and were based on external sources of information. Terminal growth rates were assumed at 1%. Other key assumption, on which management based its cash flow projections for the period, was future profitability of the operation of the subsidiaries. During forecast period the aggregate net profit of subsidiaries is projected to increase by 103% in financial year 2022 comparing to 2021, and by on average 79% per annum over 2022-2024. The costs in 2022 and onwards were estimated based on the budget approved by the management of the Company which are dependent on the volume of loan portfolio.

Taking into account all the aspects mentioned above, as at 31 December 2021 and as at 31 December 2020 the Company has not recognised impairment allowance for investment in subsidiary.

Sensitivity scenarios: assuming decrease by 30% in operating cash flow during the five-year period and increase in discount rate by 1% while other assumptions remain unchanged, the recoverable amount would decrease by 27%, but remains higher than carrying value.

ECL determination for subsequent measurement

All current assets with potential credit risk are receivables from related parties. The management of the Company believes that all receivables form companies, belonging to ultimate parent company (Eleving Group S.A., Luxembourg) group do not contain credit risk, and therefore ECL is not recognized

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 Company assessment is that no options are to be considered in the context of lease term assessment. In such situations the lease term would not exceed the non-cancellable contractual term. In determining the lease term the Company has assessed the penalties under the lease agreements as well as economic incentives to prolong the lease agreements such as the underlying asset being strategic.

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 subsidiary level. As per Company’s assessment each of the Company’s Subsidiary would qualify as a good quality borrower in the local markets in the context of overall the Company results.

4. Operational service income

	2021 EUR	2020 EUR
Income from management services for related parties	533 632	182 919
Income form professional services	136 560	-
TOTAL:	**670 192**	**182 919**

Geographical segment information

Operational service income	2021 EUR	2020 EUR
Lithuania	189 295	-
Kenya	140 759	-
Latvia	133 560	93 958
Uzbekistan	122 407	80 560
Uganda	80 867	-
Kazakhstan	3 304	8 401
TOTAL:	**670 192**	**182 919**

5. Administrative expense

	2021 EUR	2020 EUR
Employees' salaries	221 692	273 636
IT services*	138 321	19 918
Professional services**	130 594	22 031
Amortization and depreciation	102 502	69 986
Business trips	23 109	9 591
Financial companies commissions	21 134	-
Bank commissions	2 389	2 065
Office and branches' maintenance expenses	2 370	3 646
Recruitment fees	1 399	-
Other personnel expenses	968	3 111
Communication and transportation expenses	175	981
Other administration expenses	14 879	2 479
TOTAL:	**659 532**	**407 444**

* Part of IT services was provided by related parties (Note 18)
** Audit fees for Company 2021 separate financial statements audit amounts to 2 900 EUR (2020: EUR 2 900)

Key management personnel compensation

The board members have not received remuneration for the duties of the board.
There are no emoluments granted to the members of the Board/Council and commitments in respect of retirement pensions for former members of the Board/Council.

6.Interest expense

	2021 EUR	2020 EUR
Interest expenses on financial liabilities measured at amortised cost:		
Interest expenses for loans from related parties	877 123	147 489
Interest expenses for lease liabilities	720	3 400
TOTAL:	**877 843**	**150 889**

7. Net foreign exchange result

	2021 EUR	2020 EUR
Currency forward deals realized loss	805 269	-
Currency forward deals unrealized loss	1 407 517	-
Other	-	75
TOTAL:	**2 212 786**	**75**

As of the end of 2021 the Company had 2 future currency exchange deals, with notional amount USD 50 000 000. Based on currency exchange rates on December 31, 2021, deals negative revaluation result is EUR 1 407 517. The settlement date of deals is 31.01.2022.

8. Intangible assets

	Licenses	Software*	TOTAL
Cost	-	201 522	**201 522**
Accumulated amortization	-	(9 213)	**(9 213)**
As at 1 January 2020	**-**	**192 309**	**192 309**
2020			
Additions*	3 000	254 460	**257 460**
Amortization charge	(2 000)	(45 013)	**(47 013)**
Cost	3 000	455 982	**458 982**
Accumulated amortization	(2 000)	(54 226)	**(56 226)**
As at 31 December 2020	**1 000**	**401 756**	**402 756**
2021			
Additions*	-	481 899	**481 899**
Disposals (cost)	(3 000)	-	**(3 000)**
Amortization charge	(1 000)	(91 613)	**(92 613)**
Disposals (amortization)	3 000	-	**3 000**
Cost	-	937 881	**937 881**
Accumulated amortization	-	(145 839)	**(145 839)**
As at 31 December 2021	**-**	**792 042**	**792 042**

* Part of software was purchased form related parties (Note 18)
Amortization costs are included in Note 5 - 'Administrative expense'

9. Tangible assets

	Right-of-use assets	Property and equipment	**TOTAL**
Cost	236 639	22 410	**259 049**
Accumulated depreciation	(7 888)	(1 890)	**(9 778)**
As at 1 January 2020	**228 751**	**20 520**	**249 271**
2020			
Additions	40 431	372	**40 803**
Disposals (cost)	(236 639)	(859)	**(237 498)**
Depreciation charge	(16 516)	(6 457)	**(22 973)**
Disposals (depreciation)	17 748	239	**17 987**
			-
Cost	40 431	21 923	**62 354**
Accumulated depreciation	(6 656)	(8 108)	**(14 764)**
As at 31 December 2020	**33 775**	**13 815**	**47 590**
2021			
Depreciation charge	(3 897)	(5 992)	**(9 889)**
Cost	40 431	21 923	**62 354**
Accumulated depreciation	(10 553)	(14 100)	**(24 653)**
As at 31 December 2021	**29 878**	**7 823**	**37 701**

Amortization costs are included in Note 5 - 'Administrative expense'.

Right-of-use assets and other liabilities for rights to use assets are shown as follows in the statement of financial position and statement of comprehensive income:

			31.12.2021	31.12.2020
ASSETS	**Note**		EUR	EUR
Non-current assets				
Right-of-use assets - premises			29 878	33 775
		TOTAL:	**29 878**	**33 775**
EQUITY AND LIABILITIES				
Non-current liabilities				
Lease liabilities for right-of-use assets	16		27 025	30 748
Current liabilities				
Lease liabilities for right-of-use assets	16		3 723	3 642
		TOTAL:	**30 748**	**34 390**

		2021	2020
Leases in the statement of comprehensive income		EUR	EUR
Administrative expense			
Depreciation of right-of-use premises		(3 897)	(16 516)
Interest expense (finance cost)			
Interest expense for right-of-use premises	6	(720)	(3 400)
Total cash outflow from leases		**(4 617)**	**(19 916)**

The weighted average borrowing rate for lease liabilities in 2021 was 2.2% (2020: 2.2%.)

In 2021, there were no incurred expenses for lease agreements which did not qualify for recognition of Right-of-use assets.

The cost relating to variable lease payments that do not depend on an index or a rate amounted to EUR nil for the year ended December 31, 2021. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

10. Investments in subsidiary

The Company's investments in subsidiary as of 31 December 2021 and 31 December 2020 are set out below:

Company	Business	Shareholding	31.12.2021 EUR	31.12.2020 EUR
Avtopark-Slezheniye LLP (Kazakhstan)	Other services	0.0%	-	202
Mogo Auto Ltd (Kenya)	Financing	100.0%	6 962 487	3 962 487
Mogo Kenya Ltd (Kenya)	Financing	100.0%	1 855 019	1 855 019
Eleving Solis UAB (Lithuania)	Management services	100.0%	2 500	2 500
Mogo Loans SMC Ltd (Uganda)	Financing	100.0%	707	707
Mogo Lend LTD (Uzbekistan)	Financing	99.1%	2 150 636	2 150 636
		Impairment:	**-**	**-**
		Total Net Investments in subsidiary:	**10 971 349**	**7 971 551**

Impairment testing of the investments in subsidiary has been performed by the management of the Company using valuation methods and based on assumptions described in section impairment testing. As a result of performed impairment test calculations there is no additional impairment recognised in the year ended 31 December 2021 (2020: nil).

Income from investments

There were no dividends received from Company's subsidiary during years 2021 and 2020.

Changes in investments in subsidiary

	2021 EUR	2020 EUR
1 January	**7 971 551**	**3 920 557**
Purchase	-	798
Capital increase	3 000 000	4 050 202
Sold	(202)	(6)
31 December	**10 971 349**	**7 971 551**

11. Related party receivables

	2021 EUR	2020 EUR
Receivables from related parties*	764 103	22 367
TOTAL:	**764 103**	**22 367**

* - Trade receivables are without delay. The management has performed an assessment of the receivables form related party, and concluded there is no significant credit risk increase. Accordingly, no ECL is recognized as at the end of the reporting period (2020: EUR 0 as well).

12. Contract assets

	31.12.2021 EUR	31.12.2020 EUR
Contract asset from related parties	43 891	36 877
TOTAL:	**43 891**	**36 877**

All invoices are issued after the year end and receivables from these invoices are paid.

The Company assesses material amounts recovery individually. The Company's management decides on the performance assessment on an individual basis, reflecting the possibility of obtaining information on a particular contract asset and a significant increase in the credit risk of that particular contract asset. As at year end ECLs are as well assessed based on the expected settlements. The contract assets, which are settled shortly after end of reporting period, have no ECL recognised. The management has performed an assessment of the contract assets and concluded there is no significant credit risk increase. Accordingly, no ECL is recognized as at the end of the reporting period (2020: nil).

13. Other receivables

	31.12.2021 EUR	31.12.2020 EUR
Overpaid VAT	14 835	21 577
Other debtors	6 677	-
TOTAL:	**21 512**	**21 577**

14. Cash and cash equivalents

		31.12.2021	31.12.2020
		EUR	EUR
Cash at bank		22 975	5 832
	TOTAL:	**22 975**	**5 832**

This financial asset is not impaired as of 31.12.2021 (31.12.2020: nil).

The Company has not created ECL allowances for cash and cash equivalents on the basis that placements with banks are of short term nature and the lifetime of these assets under IFRS 9 is so short that the low probability of default would result in immaterial ECL amounts (31.12.2020: nil).

15. Share capital

		31.12.2021		31.12.2020	
	Nominal value	Number	Value EUR	Number	Value EUR
Category A shares	0.10	350 000	35 000	350 000	35 000
Category B shares	0.10	47 430	4 743	47 430	4 743
	TOTAL:		**39 743**		**39 743**

All the shares are fully paid.

Company's category A shares give voting rights, rights to receive dividends and liquidation quota.

Company category B shares have been issued with the purpose to be assigned to the Company's employees. They give the right to receive dividends and liquidation quota, without voting rights.

16. Borrowings

Non-current	*Interest rate per annum (%)*	*Maturity*		31.12.2021 EUR	31.12.2020 EUR
Loans from related parties	10-13%	up to 29.03.2024.		10 825 331	5 297 831
Lease liabilities for right-of-use assets	2.2%	31.08.2029.		27 025	30 748
			TOTAL:	**10 852 356**	**5 328 579**
Current					
Accrued interest for loans from related parties				531 145	147 489
Lease liabilities for right-of-use assets	2.2%			3 723	3 642
			TOTAL:	**534 868**	**151 131**

Changes in liabilities

	01.01.2021	Incoming cash flow	Outgoing cash flow	Other	31.12.2021
Loans from related parties	5 297 831	4 150 500	(1 623 000)	3 000 000	10 825 331
Lease liabilities for right-of-use assets	34 390	-	(4 362)	720	30 748
TOTAL BORROWINGS PRINCIPAL (EUR):	**5 332 221**	**4 150 500**	**(1 627 362)**	**3 000 720**	**10 856 079**

	01.01.2021	Incoming cash flow	Outgoing cash flow	Calculated for the financial year	31.12.2021
Accrued interest for loans from related parties	147 489	-	(493 467)	877 123	531 145
TOTAL INTEREST LIABILITIES (EUR):	**147 489**	**-**	**(493 467)**	**877 123**	**531 145**
TOTAL BORROWINGS (EUR):	**5 479 710**	**4 150 500**	**(2 120 829)**	**3 877 843**	**11 387 224**

	01.01.2020	Incoming cash flow	Outgoing cash flow	Other	31.12.2020
Loans from related parties	602 331	758 500	(113 000)	4 050 000	5 297 831
Lease liabilities for right-of-use assets	229 561	-	(20 110)	(175 061)	34 390
TOTAL BORROWINGS PRINCIPAL (EUR):	**831 892**	**758 500**	**(133 110)**	**3 874 939**	**5 332 221**

	01.01.2020	Incoming cash flow	Outgoing cash flow	Calculated for the financial year	31.12.2020
Accrued interest for loans from related parties	26 164	-	(26 164)	147 489	147 489
TOTAL INTEREST LIABILITIES (EUR):	**26 164**	**-**	**(26 164)**	**147 489**	**147 489**
TOTAL BORROWINGS (EUR):	**858 056**	**758 500**	**(159 274)**	**4 022 428**	**5 479 710**

17. Accrued liabilities

	31.12.2021 EUR	31.12.2020 EUR
Accrued liabilities for management services from related parties	53 856	25 598
Accrued unused vacation	21 885	13 233
Other	2 900	2 900
TOTAL:	**78 641**	**41 731**

18. Related parties disclosures

Transactions and balances with related parties for years 2021 and 2020 were as follows:

	Note	2021 EUR	2020 EUR
<u>Services provided</u>			
- Revenue from professional and management service	4	**670 192**	**182 919**
Shareholders		133 560	-
Subsidiearies		536 632	182 919
Other related companies		-	-
- Other services provided		**-**	**879**
Other related companies		-	879
<u>Services received</u>			
- IT service		**133 837**	**10 759**
Shareholders	5	133 837	10 759
- Other services		**918**	**1 694**
Shareholders		918	1 694
<u>Interest expenses</u>			
- For borrowings	6	**877 843**	**150 889**
Ultimate parent company		877 123	147 489
Shareholders		720	3 400
<u>Assets</u>			
- Purchase of intangible assets	8	**579 067**	**97 169**
Shareholders		579 067	97 169
- Contract assets	12	**43 891**	**36 877**
Subsidiearies		43 891	35 407
Other related companies		-	1 470
<u>Liabilities</u>			
- Borrowings	16	**11 387 224**	**5 479 710**
Ultimate parent company		11 356 476	5 445 320
Shareholders		30 748	34 390
- Accrued liabilities	17	**53 856**	**25 598**
Shareholders		53 856	25 527
Other related companies		-	71

19. Financial risk management

The risk management function within the Company is carried out in respect of legal and financial risks . Financial risk comprises market risk (including the currency risk and interest rate risk), credit risk and liquidity risk.

Legal risks

Legal risks are mainly derived from regulatory changes, which the Company successfully manages with the help of in-house legal department and external legal advisors, which assist in addressing any current or future regulatory developments that might have an impact on Company's business activities.

Financial risks

The main financial risks arising from the Company's activities are liquidity and credit risk.

Credit Risk

The Company is exposed to credit risk related to claims arising from debts from related companies and cash and cash equivalents.
The company works by applying clearly defined payment criteria in cooperation with related companies.
The company does not have significant concentrations of credit risk with respect to any single counterparty or group of counterparties with similar characteristics.

Interest rate risk

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company controls its liquidity risk by attracting funds form parent company.

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

		Contractual cash flows				
As at 31.12.2021	**Carrying value**	**On demand**	**Up to 1 year**	**1-5 years**	**More than 5 years**	**Total**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Assets						
Cash and cash equivalents	22 975	22 975	-	-	-	**22 975**
Trade receivables	764 103	-	764 103	-	-	**764 103**
Other receivables	21 512	-	21 512	-	-	**21 512**
Total undiscounted financial	808 590	22 975	785 615	-	-	**808 590**
Liabilities						
Loans from related parties	(11 356 476)	-	-	(13 369 800)	-	**(13 369 800)**
Forward exchange contracts	(1 407 517)	-	(1 407 517)	-	-	**(1 407 517)**
Lease liabilities for right-of-use assets	(30 748)	-	(4 362)	(17 448)	(11 632)	**(33 442)**
Other current liabilities	(89 651)	-	(89 651)	-	-	**(89 651)**
Total undiscounted financial	(12 884 392)	-	(1 501 530)	(13 387 248)	(11 632)	**(14 900 410)**
Net undiscounted financial assets / (liabilities)	**(12 075 802)**	**22 975**	**(715 915)**	**(13 387 248)**	**(11 632)**	**(14 091 820)**

		Contractual cash flows				
As at 31.12.2020	**Carrying value**	**On demand**	**Up to 1 year**	**1-5 years**	**More than 5 years**	**Total**
(reclassified)						
Assets	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	5 832	5 832	-	-	-	**5 832**
Trade receivables	22 367	-	22 367	-	-	**22 367**
Other receivables	21 577	-	21 577	-	-	**21 577**
Total undiscounted financial	49 776	5 832	43 944	-	-	**49 776**
Liabilities						
Loans from related parties	(5 445 320)	-	-	(7 217 218)	-	**(7 217 218)**
Lease liabilities for right-of-use assets	(34 390)	-	(4 362)	(17 448)	(15 994)	**(37 804)**
Other current liabilities	(187 449)	-	(187 449)	-	-	**(187 449)**
Total undiscounted financial	(5 667 159)	-	(191 811)	(7 234 666)	(15 994)	**(7 442 471)**
Net undiscounted financial assets / (liabilities)	**(5 617 383)**	**5 832**	**(147 867)**	**(7 234 666)**	**(15 994)**	**(7 392 695)**

19. Financial risk management (continued)

Credit risk

The Company is exposed to credit risk through its trade receivables and cash and cash equivalents. Maximum credit risk exposure is represented by the gross carrying value of the respective financial assets.
Since the trade receivables consist of receivables from related parties, and that current accounts are also opened in safe banks that have the license and are under control of the Regulator (The Financial and Capital Market Commission), the management believes that there is no credit risk

	Note		31.12.2021	31.12.2020
Trade receivables	11		764 103	22 367
Cash and cash equivalents	14		22 975	5 832
		TOTAL:	**787 078**	**28 199**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The company does not have significant concentrations of credit risk with respect to any single counterparty or group of counterparties with similar characteristics.

20. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.

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

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

Instruments within Level 1 include highly liquid cash and cash equivalent assets and standard derivative financial instruments traded on the stock exchange.

Instruments within Level 2 include assets/liabilities, for which no active market exists, such as Forward exchange contracts

Instruments within Level 3 include loans, trade and other receivables, current and non-current borrowings and other liabilities.

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

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

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

The table below summarizes the carrying amounts and fair values of financial assets and liabilities:

		31.12.2021		31.12.2020
	Carrying value	Fair value	Carrying value	Fair value
	EUR	EUR	EUR	EUR
Financial assets not measured at fair value:				
Trade receivables	764 103	764 103	22 367	22 367
Other receivables	21 512	21 512	21 577	21 577
Cash and cash equivalents	22 975	22 975	5 832	5 832
Total financial assets	**808 590**	**808 590**	**49 776**	**49 776**
Financial liabilities measured at fair value:				
Forward exchange contracts	1 407 517	1 407 517	-	-
Financial liabilities not measured at fair value:				
Loans from related parties	11 356 476	11 356 476	5 445 320	5 445 320
Lease liabilities for right-of-use assets	30 748	30 748	34 390	34 390
Other current liabilities	89 651	89 651	187 449	187 449
Total financial liabilities	**12 884 392**	**12 884 392**	**5 667 159**	**5 667 159**

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

The table below specified analysis by fair value levels as at 31.12.2021 and 31.12.2020 (based on their carrying amounts):

	31.12.2021			31.12.2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	EUR	EUR	EUR	EUR	EUR	EUR
Financial assets						
Trade receivables	-		764 103	-	-	22 367
Other receivables	-	-	21 512	-	-	21 577
Cash and cash equivalents	22 975	-	-	5 832	-	-
Total financial assets	**22 975**	**-**	**785 615**	**5 832**	**-**	**43 944**
Financial liabilities						
Forward exchange contracts	-	1 407 517	-	-	-	-
Loans from related parties	-	-	11 356 476	-	-	5 445 320
Lease liabilities for right-of-use assets	-	-	30 748	-	-	34 390
Other current liabilities	-	-	89 651	-	-	187 449
Total financial liabilities	**-**	**1 407 517**	**11 476 875**	**-**	**-**	**5 667 159**

21. Events after reporting period

Since the end date of the reporting period, there have been several significant events.

In 2022, the European Union and other countries have imposed many significant sanctions against Russia and Belarus, certain Russian and Belarusian companies, companies in other jurisdictions, officials, businessmen and other individuals in connection with the ongoing war in Ukraine, which began on February 24, 2022. The established sanctions, restrictions and military operations create economic uncertainty in the world, in Latvia. The impact of the fully imposed sanctions and restrictions and military operations on the Company's operations in 2022 cannot be fully predicted, but the Company believes that the sanctions and restrictions and military operations imposed after the date of the financial report will not significantly affect the Company's operations directly or indirectly.

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

Signed on behalf of the Company on 30 September 2022 by:

Tomas Sudnius ____________________
Chairman of the Board

Māris Kreics ____________________
Member of the Board

Marius Barys ____________________
Member of the Board

Ieva Bernharde ____________________
Chief Accountant

THIS DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND IT HAS A TIME-STAMP

Independent Auditor's Report

To the shareholders of JSC Eleving Solis

Our Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of JSC Eleving Solis ("the Company") set out on pages 7 to 29 of the accompanying annual report, which comprise:

- the separate statement of financial position as at 31 December, 2021,
- the separate statement of comprehensive income for the year then ended,
- the separate statement of changes in equity for the year then ended,
- separate statement of cash flows for the year then ended, and
- the notes to the separate financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of JSC Eleving Solis as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

Reporting on Other Information

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

- General Information, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying Annual Report,
- Statement of Management Responsibility, as set out on page 6 of the accompanying Annual Report,

Our opinion on the separate 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 separate financial statements are prepared is consistent with the separate 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 IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

Revidentu birojs Gatis Sviklis Lāsma Svikle SIA
Certified audit company
Licence No. 181

Gatis Sviklis
LR certified auditor
Certificate No. 202

Riga, Latvia
30 September 2022

THIS DOCUMENT HAS BEEN SIGNED ELECTRONICALLY AND CONTAINS TIME STAMP